



CITY OF UNION SOUTH CAROLINA



BUDGET FY 2007-2008



**CITY OF UNION, SOUTH CAROLINA
FISCAL YEAR 2007 – 2008 BUDGET**

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BUDGET INTRODUCTION

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City of Union, South Carolina

CITY OFFICIALS

ELECTED

Mayor..... E. Bruce Morgan
Councilmember, District 1..... Tommie L. Hill
Councilmember, District 2..... Harold Thompson
Councilmember, District 3..... Keith Henderson
Councilmember, District 4..... Ricky Todd Harris
Councilmember, District 5..... Orangelow M. Ruff
Councilmember, District 6..... Fran Bailey

APPOINTED

City Attorney..... William Whitney
City Recorder..... Wade Hampton
City Clerk/Personnel Director..... Gloria Rogers
Public Service Director..... Perry Harmon
Maintenance Director..... Mike Petrie
Public Safety Director..... Sam White
Building Official..... Jeffery B. Lawson
Finance Director..... Walker C. Gallman, Jr.

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GENERAL INFORMATION

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City of Union, South Carolina
Fiscal Year 2007-2008 Budget

FOREWORD
THE CITY

Dear Reader,

Welcome to the City of Union, South Carolina. The City of Union has a population of 8,793. The City is the county seat of Union County with a population of 29,881.

Union is a unique blend of small town America and a progressive modern community. Here you'll find patriotism, hospitality and friendliness. People you pass on the street will smile, wave and say hello. Family values, church and the work ethic prevail.

Main Street is an active, viable business district where friends meet. Union has tree-lined streets where antebellum homes are busy dwellings. Modern subdivisions are tucked into our gently rolling, beautifully-wooded hillsides.

Churches of all faiths abound and are full on Sundays and busy all week with outreach programs.

Our school systems have up-to-date curricula and facilities that can take students from pre-school to college at our outstanding branch of the University of South Carolina-Union. A new Robotics Training Facility project is in the planning for this fiscal year. This Robotic Facility is a joint venture of City, County, USC-Union, and Spartanburg Community College, a first for the state of South Carolina.

Recreational opportunities are everywhere, from hunting and fishing in Sumter National Forest to golf and tennis at our country club and public parks. A new Sports Complex for tournament baseball is under construction.

Local government is efficient, responsive and non-intrusive, providing excellent utilities and services, as well as a high degree of security. The City has made giant strides in becoming environmentally friendly (a Green City). By implementing policy changes that reflect a modern attitude toward biodiesel, E-85 (ethanol), hybrid and electric vehicles, Union has gained the reputation of being progressively green.

Incorporated on December 20, 1837, the City of Union is over one-hundred and sixty-nine years old, one of South Carolina's first municipalities.

Union has the mayor-council (strong mayor) form of government, with six councilmembers and a mayor being elected to four-year staggered terms of office.

City Council sets policies and provides the framework for the many City services through ordinances, resolutions and motions.

The Mayor acts in a legislative capacity as a member and presiding officer of the council. He acts in an executive capacity as

chief administrative officer of the council's policies.

Regular meetings of City Council are held on the third Tuesday of each month at 6:30 p.m. at the Municipal Complex on Sharpe Avenue.

The Mayor is responsible for recommending policy, and carrying out the policies and enforcing the ordinances adopted by City Council. He prepares the annual budget, accomplishes the hiring of employees and is responsible for the effective and efficient operation of all City functions.

The City of Union is rich in tradition and history, with hospitality and courtesy being paramount.

BUDGETARY SYSTEM

The fiscal year of the City of Union begins July 1 and ends June 30. Detailed provisions for the City's Budget are set forth in South Carolina Code and City Code.

The budget process begins in February - five (5) months before the budget will take effect. The FY2008 budget calendar, which follows, outlines the budget process for the City of Union.

FY 2007 BUDGET CALENDAR

February 5	Budget worksheets to departments
January 30	Budget worksheets to Finance Department
Feb 24 - Mar 15	Review & compilation of all requests by Finance Department
March 15-31	Mayor reviews all requests in light of revenue projections
April 1-9	Compilation of Budget Retreat Manual
April 9 & 11	Budget Retreat
April 16-23	Mayor, Finance Director and Finance Staff review Budget Retreat priorities in light of updated revenue projections and prepare budget document
April 25	Mayor prepares budget message; assembly and typing of FY2008 Proposed Budget
April 26-27	FY2008 Proposed Budget reviewed and printed
May 15	FY2008 Proposed Budget submitted to Council; Public Hearing/First Reading of Proposed FY2008 Budget Ordinance by City Council
June 19	Second Reading of Proposed FY2008 Budget Ordinance by City Council
June 20-June 28	FY2008 approved budget typed and printed
June 29	Distribution of FY2008 budget document

Preliminary discussions between the Mayor and Department Heads take place to determine departmental needs and direction. The results

of these discussions are assembled, along with financial forecasts, and presented to City Council at the annual Budget Retreat. During the Budget Retreat, City Council establishes goals, priorities, policies, and budget parameters for the upcoming fiscal year. Based on guidance given by Council at the Retreat, a proposed budget is developed and submitted for consideration by City Council and the public at least two months prior to the beginning of the new fiscal year. The proposed budget receives a public hearing and requires First and Second Reading by City Council before taking effect.

After the budget takes effect, the Mayor is empowered to transfer funds from line item to line item within a department. He may not exceed the appropriated limits for expenditure in a given fund without first seeking a Budget Adjustment Ordinance from City Council.

The City maintains budgetary control on a GAAP basis at the object level (Salary, Regular; Salary, Part-Time; Overtime, Social Security, etc.) within each division. Detail control is accomplished by maintaining appropriations, expenditures and expended balances by line item within each operating division, within each operating department, and within each operating fund. Purchase requisitions or payments which would exceed their available object level appropriation are not processed without the approval of the Mayor.

THE ACCOUNTING SYSTEM

The City's Accounting System is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by generally accepted accounting principals, and the number of individual funds established is determined by sound financial administration.

The City's records are maintained on a modified accrual basis for all governmental and fiduciary fund types. Accordingly, revenues are recognized when susceptible to accrual, i.e., both measurable and available. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The accrual basis of accounting is utilized by all proprietary funds.

THE CITY OF UNION ANNUAL BUDGET IS ORGANIZED AS FOLLOWS:

The Mayor's Budget Message - This message gives an overview of the City's fiscal status, discusses future financial trends, highlights key budget items and provides any necessary additional information on the Budget document itself.

Personnel Report - This section contains the City Organizational Chart, Pay Plan, Position Class Array, Personnel Summary, Historical Staffing, other charts and graphs, and a narrative concerning Personnel/Benefit changes implemented in the Annual Budget document.

Financial Summaries - Summaries for all fund revenue and expenditure activity for the 2007-2008 fiscal year. Comparison data is provided, as well as illustrative charts and narratives.

Departmental Budgets - Expenditures by division are outlined by line item; narrative outlining divisional function and staffing level; detail of personnel and capital outlay; and brief analysis of significant change in the division budget.

Revenue Manual - Outlines a description of the revenue source; the legal authorization to collect it; the fee schedule, or how the revenue is calculated; a history of the revenue, and pertinent comments. The manual is grouped by fund.

Appendices - Glossary of Terms; enabling Ordinances.



City Of Union

101 Sharpe Avenue
P.O. Box 987
Union, SC 29379

TO: The Members of City Council, and Citizens of the City of Union

FROM: Mayor, E. Bruce Morgan

RE: Budget Message

Ladies and Gentlemen,

I am pleased to present to you the Annual Budget for Fiscal Year 2007-2008.

The budget is City Council's financial plan for the next year and is the basis by which your City Staff will provide the projects and services ordained by Council. As such, it is one of City Council's most important policy documents.

The fiscal year 2007-2008 budget continues to provide the many services currently received by the people of Union and will further provide for the large investment required to maintain the City's utility systems.

This budget strives to incorporate the goals, priorities, policies and programs which were discussed and approved by City Council during our Budget Sessions.

During a time when City Council has developed many worthwhile projects or programs, the City is fiscally unable to respond to many of those programs or projects.

For several years City Council has been advised that General Fund revenues were not keeping pace with greater demand for services and their ever-increasing costs. The resulting "deficits" were financed by a special transfer of Utility Fund earnings and the use of prior year General Fund revenues ("fund balance"). This budget reflects that trend. City Council made the decision, beginning in fiscal 1996-1997, to garner 5% of gross sales of the City's combined utility system as a General Fund revenue, or fee in lieu of taxes. The prior year's sales as audited are used in the calculation. This action has eliminated the use of special transfers as a means to balance the General Fund budget, and stabilizes the return on investment anticipated from the utility system for this and future budgets. This 5% of combined utility sales represents 37% of the General Fund's revenues.

The General Fund budget projects a balanced General Fund. However, transfers to the Solid Waste Management Fund, Economic

BUDGET MESSAGE (CONT'D.)

Development Fund, and the Sidewalk Improvement Fund in the amount of \$305,000 will necessitate use of prior year funds.

This budget does not call for a General Fund tax increase and maintains a \$15 monthly user fee in the Sanitation Fund.

In the Utility Fund, 10% water and wastewater by volume rate increases are proposed while electric and natural gas rates remain unchanged.

Electric energy rates will absorb wholesale power increases and remain unchanged.

Water and sewer rates will increase 10% on volume. This increase is necessary due to rising production and processing costs and increased debt service. The water and sewer systems have historically been dependent on electric and gas system revenues. It is strongly recommended that these divisions become self reliant, due to continuing purchased power increases to our electric system and a changing gas environment. Further rate increases will be necessary to accomplish this autonomy.

Wholesale natural gas prices continue to be volatile. While commodity charges have remained stable over the past year, they still remain historically high. The base rate and facility charge remain unchanged for FY 2007-2008, but with increasing capacity charges and mandates by regulatory agencies future increases will be necessary.

Detail sheets more fully describing utility rates may be found in the Revenue Manual section of the budget.

The General Fund budget is balanced with heavy reliance on the fee in lieu of taxes placed on the City's combined utility system. As presented, the General Fund budget has a total tax levy of 74.3 mills, well below the regional average levy of 108 mills. A City mill is worth about \$13,000.

The overall 2007-2008 budget totals \$47,850,660 for all funds.

This budget represents a decrease of less than 1% over 2006-2007's estimated \$47,920,680. This decrease is due primarily to stable cost of natural gas. This decrease is due mainly to the natural gas commodity price is projected to be less than last year. Even though the cost of gas drove this budget down, there are increases in projected capital cost for infrastructure and equipment, and a 3% COLA for employees.

BUDGET MESSAGE (CONT'D.)
This budget will:

- Continue to maintain all utility systems.
- Continue to provide quality police, fire, and special enforcement (Animal Control) services. Provisions are made to enhance the training readiness of our public safety department in the area of confined space rescue, a special response team and the reserve police program. A diminished School Resource Officer program continues, with 50% of the cost borne by our school district.
- Continue to provide quality sanitation services that include limited commercial and residential refuse collection, trash and litter control, brush and leaf removal, operation of the transfer station along with hauling contracts and dumpster servicing contracts. A new high efficiency garbage collection vehicle is being utilized and through attrition replaced two full-time positions in the Public Works department. One of these positions retired in FY 2006 with the other leaving in FY 2007.
- Continue to develop and improve the City's Zoning Ordinance and Land-Use Plan.
- Study areas just outside the city limits for possible annexation and foster development of a more active annexation policy for future growth.
- Maintain adequate working conditions, offer employment opportunities, and provide fair wages and benefits.
- Continue to improve community appearance through enforcement of "Nuisance" and Sanitation Ordinances and substandard housing efforts.
- Coordinate and consolidate services where possible with the County.

Current Fiscal Status

The current year financial status of the City of Union is good. Union will begin this fiscal year with a General Fund undesignated fund balance of \$2,797,150 or about 51% of planned expenditures totaling \$5,395,670 including a proposed transfer of \$130,000 to the Solid Waste Management Fund and \$100,000 to the Economic Development Fund. Also, a sidewalk fund will be established to address improvement and repairs to sidewalks on the City's system.

Revenue in the General Fund is projected to be \$5,137,440. The FY2007-08 budget will be balanced by the use of \$258,230 of the General Fund Fund Balance.

BUDGET MESSAGE (CONT'D.)

The General Fund Fund Balance has increased over the last several years and again over fiscal 2007-2008. This is due largely to the 1995 implementation of a sanitation user fee and a consistent fee in lieu charge to the City's Enterprise Funds.

Adequate fund balance at a minimum of 15% to 20% of expenditures is prudent and appropriate. Unanticipated or emergency expenditures could provide a fiscal crisis for the City if adequate fund balance is not maintained.

The fee in lieu assessed upon the Enterprise Funds at 5% of sales represents the General Fund's largest revenue source. Growth in this revenue has been a major factor in maintaining the General Fund's ability to provide current service levels.

General obligation debt is limited by law in South Carolina to 8% of a municipality's total assessed value. Fiscal 2007-2008 assessed value of Union is approximately \$15,000,000, which includes vehicle values. General debt is therefore limited to \$1,200,000 without referendum. Current General Fund debt is for a fire truck purchased in Fiscal Year 95-96 and a fire truck leased in Fiscal Year 05-06. The balance owed on the 95-96 is approximately \$34,900. The City also entered into a 5-year lease to purchase a fire truck. Lease payments will be approximately \$45,000 per year. The lease balance is approximately \$157,740.

On July 29, 1994, the City borrowed \$450,000 to partially fund the downtown revitalization project. The loan has an annual payment of \$49,358 through April, 2009. The balance on this loan is \$91,130.

Outstanding debt in the Solid Waste Management Fund consists of a five-year lease to purchase a garbage truck in FY 2005-2006. The lease payment is approximately \$42,000. The lease balance is \$153,691. Also, the Solid Waste Management Fund has debt service on an advance from the General Fund to construct a transfer station. The balance on this advance is \$271,400. The annual payment on this advance is \$24,072.

Enterprise Utility Fund projected capital improvement projects scheduled for the next five years are in excess of \$27,377,350. This projection is in addition to \$365,000 in replacement equipment for 2007-2008. It should be noted that the financing of combined utility capital projects continues to be accomplished by use of prior-year retained earnings. 2007-2008 capital projects will reduce cash by approximately 2.6 million. This negative cash-flow position is cause for concern and must be addressed in future budgets.

Outstanding debt in the Combined Utility Fund consists of 2004 revenue bonds in the amount of \$9,060,000, and (2) two loans from the "State Revolving Loan Fund" totaling \$933,425 and \$478,316, respectively, and loans from the "State Infrastructure Revolving Fund" of \$960,202 and \$1,529,271. Annual debt service is approximately

BUDGET MESSAGE (CONT'D.)

\$1,200,000. The majority of debt incurred has been to finance essential replacement of our water and wastewater utilities.

Taken as a total entity, the financial strength of the City of Union is good. The General Fund is cause for concern given slow growth in revenues and dependence on larger Utility Funds. This limits Council's ability to create or expand services and to govern. Revenue should be found to lessen this continuing dependence. The City's Combined Utility Fund is stressed due to the loss of industrial sales in natural gas, water, and wastewater and is also cause for concern.

Revenue Summary

Total General Fund revenues for fiscal 2007-2008, including overhead allocations are \$5,137,440, a decrease of less than 1% over fiscal 2006-2007 estimated revenues of \$5,178,590. This decrease in revenues in General Fund revenue is a cause for concern and is due mainly to the 5% franchise fee assessed on the Combined Utilities, which is volatile as least by natural gas fluctuation and slow growth in the other three utilities. The payment in lieu of taxes will again be based on 5% of operating revenue from the City's Enterprise Funds. The fee in lieu assessed against City Enterprise Fund operations by the General Fund replaces property taxes, franchise fees, etc. that would reasonably be paid to the City were these enterprises privately held. The fee also represents a small return on investment or "dividend" for public ownership. Including the fee in lieu and overhead allocations from the Enterprise Fund, General Fund resources total \$5,137,440. With only ad valorem taxes and the business license as major sources of revenue, it is becoming extremely difficult to raise adequate funds without new sources of money. Slow growth of tax base and reduced vehicle taxes all but insure flat or declining future ad valorem taxes. With the loss of utility sales, the fee in lieu becomes uncertain.

The sanitation fee, an essential and necessary source of money, is insufficient to cover the costs of our sanitation services as intended.

Operating revenues for the Combined Utility Fund are estimated at \$38,662,880, an increase of less than 1% or \$329,810 over estimated revenues of \$38,333,070 for fiscal 2006-2007. The increase in revenues can be attributed mainly to a 10% increase in water and sewer rates.

A flat growth rate in sales is not keeping pace with future wholesale power cost projections and water and sewer processing cost, implying continued utility rate adjustments coupled with additional significant revenue enhancements in the General and Sanitation Funds, or curtailment of services in some fashion.

Expenditure Summary

Total General Fund programs, services, and transfers for fiscal 2007-2008 will cost \$5,395,670 for an increase of \$2,230 or less than 1% more than estimated in fiscal 2006-2007. The small increase in expenditures is mainly due to a decrease in budgetary transfers. This budget includes a 3% COLA recommendation and increases in operations and maintenance, and debt service. Funding for additional sidewalk improvements, repayment of funds borrowed from the utility fund for the YMCA building improvement, incentive programs for developers and a transfer of 130,000 to Solid Waste Management.

General Fund programs and services are funded in large measure from Enterprise Funds overhead allocations and fee in lieu of taxes totaling \$2,398,230 or 44% of total expenditures.

Increases in fiscal year 2007-2008 personnel costs are estimated at 3% of payroll. Rising personnel expense reflects a 3% cost of living adjustment. Health insurance premiums, even though rates continue to climb, have been mitigated by the City's lower experience rating for the last several years.

Future equipment replacement, coupled with implementation of state and federal mandatory programs and personnel costs, will certainly cause all budgets to continue growing, despite City Council's best efforts at containment, and will trigger the need for additional revenues. Federal water quality standards and management standards for wastewater (CMOM) will be especially costly to implement.

Adjusted for comparison, total Combined Utility Fund operating expenses are \$41,292,460, a decrease of less than 1% from fiscal 2006-2007. This decrease is due mainly to a lower cost of natural gas projected.

Major components of expenditures include increases in production costs for water and sewer activity, wholesale electric, fuel cost, and major system improvements in natural gas, water, wastewater, and electric.

State and federal regulatory mandates and upgrades are continuing to be costly to implement and are forcing utility costs higher, especially in water and sewer production and disposal. Rate increases in natural gas, water and sewer are anticipated yet again in fiscal 2008-2009.

The Utility Capital Improvement Program continues at a brisk pace with \$9,324,900 in expansion or improvements projected in the next five years.

Budget Considerations

A balanced fiscal 2007-2008 General Fund budget was accomplished by the use of a \$1,892,120 fee in lieu from Enterprise Funds.

Our tax millage is at 74.3 mills, much less than the regional average of 108 mills.

The General Fund budget provides for a number of services and programs, such as public safety, streets, recreation, planning, code enforcement, revenue collection, and general government.

The landfill tipping fee has been replaced in Solid Waste Management, by debt service for the transfer station and hauling and dumpster contracts. Rolling stock replacement continues to be a major cost in the Solid Waste Fund. A much needed garbage collection vehicle that is a one man operation, was leased during FY 2005-2006. This vehicle allowed the City to reduce its workforce by 2 employees.

Resource allocation in the General Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
General Admin.	\$ 610,140	\$ 586,840
Legislative	\$ 374,840	\$ 394,340
City Court	\$ 39,610	\$ 39,760
City Attorney	\$ 77,240	\$ 79,880
Taxes & Licenses	\$ 116,530	\$ 69,670
City Hall Maintenance	\$ 118,600	\$ 124,000
Public Safety	\$2,847,350	\$2,918,610
Streets	\$ 584,240	\$ 562,440
Building & Zoning	\$ 219,890	\$ 315,130
Transfers	\$ 405,000	\$ 305,000
	<u>\$5,393,440</u>	<u>\$5,395,670</u>
TOTAL		

Resource Allocation in the Utility Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Electric - O&M	\$11,042,260	\$11,482,180
Water - O&M	\$ 1,771,750	\$ 1,933,560
Sewer - O&M	\$ 1,481,560	\$ 1,490,600
Gas - O&M	\$19,806,450	\$18,949,980
Allocations	\$ 2,234,260	\$ 2,275,200
Replacement Machinery & Equipment	\$ 164,000	\$ 365,000
Construction	\$ 3,081,200	\$ 3,588,400
Debt Service	\$ 1,185,860	\$ 1,207,540
	<u>\$41,267,340</u>	<u>\$41,292,460</u>
TOTAL		

BUDGET MESSAGE (CONT'D.)

Resource Allocation in the Solid Waste Management Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Solid Waste Management	<u>\$ 842,220</u>	<u>\$ 837,030</u>

Resource Allocation in the Victims' Assistance Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Victims' Assistance Fund	<u>\$ 54,870</u>	<u>\$ 15,000</u>

Resource Allocation in the Economic Development Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Economic Development Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>

Resource Allocation in the Capital Improvement Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Capital Improvement Fund	<u>\$ 25,000</u>	<u>\$ 15,000</u>

Resource allocation in the Sidewalk Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Sidewalk Fund	<u>\$75,000</u>	<u>\$75,000</u>

Resource Allocation in the City of Union Drug Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
City of Union Drug Fund	<u>\$ 6,510</u>	<u>\$ 500</u>

BUDGET MESSAGE (CONT'D.)

Resource Allocation in the Community Change Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Community Change Fund	\$ <u>26,000</u>	\$ <u>20,000</u>

Resource Allocation in the Tax Increment Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Tax Increment District	\$ <u>130,300</u>	\$ <u>100,000</u>

Resource Allocation in the Insurance Proceeds Fund is as follows:

<u>Function</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>
Insurance Proceeds	\$ <u>0</u>	\$ <u>0</u>

GRAND TOTAL - ALL FUNDS	\$ <u>47,920,680</u>	\$ <u>47,850,660</u>
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Budget Highlights

1. This budget does not call for a tax increase.
2. Electric rates are unchanged and will absorb a wholesale purchase power increase.
3. Natural gas rates will remain unchanged. Gas rates reflect a base facilities charge, a cost of service rate and a cost of gas purchased rate that changes monthly for non-interruptible customers.
4. \$71,280 will be transferred to the Economic Development Fund to repay Enterprise Funds for the advance to renovate the Old Union High School Gym and build a community swimming pool. An additional \$28,720 will be transferred to the Economic Development Fund to provide incentives to developers.
5. The City has a contract in place with Union County to provide for a Victims' Advocate at a cost of approximately \$15,000 per year.
6. The City Business License Ordinance rates for all categories, as well as business permits, remain unchanged.
7. Water and wastewater rates increase 10% by volume for FY 2008. There is continued rate pressure on these systems, as expenditures far out pace revenues.
8. Our sanitation fee is unchanged at \$15 per month for fiscal year 2007-2008. We will transfer \$130,000 from the General Fund, in order to balance the Solid Waste Management Fund.

BUDGET MESSAGE (CONT'D.)

9. Work will continue to improve our recreational opportunities at Foster Park and City Park. Council policy has been to identify budget underruns, if any, and redirect them to park improvements. The program, in addition to small grant acquisitions, has been successful to date.
10. The City expects to continue its solicitation of the State Highway Department for funding for street resurfacing and sidewalk repairs.
11. The City continues to work on the Union Mill site for housing, greenspace and recreational opportunities. Assessment, planning, and clean-up continue.
12. \$147,550 is budgeted to replace various equipment in the General Fund (see pages 41 and 42 for details).
13. \$476,000 is provided to replace various equipment and vehicles for all utility divisions (see page 41-42 for details).
14. \$25,000 is provided to replace garbage carts in the Solid Waste Management Fund.
15. Funding is also provided to give employees a 3% cost of living raise.
16. The City assists outside agencies for the betterment of our community.
17. \$75,000 is provided to improve and replace existing sidewalks and to fund a sidewalk study to assess sidewalk needs in the City. These funds will be transferred from the General Fund to the Sidewalk Improvement Fund.

Future Trends

The City of Union faces an exciting and challenging future with many issues of growth, development, and environment to deal with. Many of these issues are already upon us and are demanding funds not yet available or identified. Some of these are discussed briefly here:

STREETS AND DRAINAGE

City Council has recognized for sometime that State funding to build and maintain streets and storm drainage systems would be very scarce and inadequate to meet the needs of the City's streets and infrastructure. With a current "Streets" budget of \$562,440 the City can do little to stop the decline of its infrastructure. Proposed stormwater regulations may mandate large future expenditures.

BUDGET MESSAGE (CONT'D.)

An annual priority letter has been developed to submit to our Highway Transportation Committee in hopes of obtaining the City's fair share of highway "C" funds for projects City Council and staff see as critical. Our past priority letters have proven to be successful.

City Council should consider long-range funding and planning to begin to address City street and drainage problems. Council may also wish to consider a stormwater drainage utility, as an additional Enterprise Fund in the event pending stormwater regulations are enacted.

SIDEWALKS

The City currently is repairing sidewalks on an "as needed" basis as long as funding lasts in a given fiscal year. No new sidewalks are being constructed, although Council has identified several areas where sidewalks should be placed. Current levels of funding are not keeping up with the deterioration of existing sidewalks. The City has plans to assess all City sidewalks and establish a long-term plan to replace or eliminate sidewalks. \$75,000 will be transferred to the Sidewalk Fund from the General Fund to replace and repair existing sidewalks.

SOLID WASTE

The County's public-private agreement with Addington Corporation that resulted in a new Sub-Title D landfill in the County eliminated our landfill tipping fee. As long as the landfill continues to receive at least 800 tons per day of refuse our landfill fee will be abated. Issues of recycling and yard waste are still unresolved. Construction of our transfer station on Hwy. 49 has positioned the City to move its solid waste to the new landfill and reduce cost over a long term period.

WATER, AND WASTEWATER COLLECTION AND TREATMENT

Acquisition of the Monarch, Lover's Lane, Lukesville and the Buffalo Water and Sewer Districts, and the possibility of other acquisitions make projection of plant capacity uncertain with regard to the ability to handle future growth. Replacement and upgrades must continue. A large portion of our water and wastewater system is nearing the end of its useful life, making large replacement projects a continuing necessity if we are to maintain the reliability of these utilities. The acquisition of several water and sewer districts, most notably Buffalo and Monarch, have made the situation even more serious, as these systems are aged and have not received any maintenance or upgrades for many years prior to becoming part of the City system. The cost to upgrade Monarch and Buffalo systems continues to be a burden. These systems will require millions to bring them up to the standard of the rest of our system, which itself continues to age. Changing environmental regulations will require

BUDGET MESSAGE (CONT'D.)

modification to existing facilities. Cost to process sewage will continue to increase as power and chemical costs grow.

Acquisitions also put pressure on existing facilities, as well as quality control requirements that are ever more stringent. Water Plant sources and facilities must be constantly monitored. Water conservation techniques should be encouraged in order to prolong and extend our capacity in treatment and distribution facilities. An alternate water supply source should be developed in the near future. Recent terrorist attacks and threats have placed a renewed emphasis on security for essential systems. These security enhancements will divert scarce funds from much needed work on our systems. They may be mandated to a certain level and will surely be costly. SCDHEC routinely issues mandates to ensure compliance with ever-stricter guidelines for water and sewer operations. Water and sewer service is simply not the bargain it once was. Costs to process and distribute potable water continue to increase.

Our water plant expansion has been certified by DHEC. This will give the City 10.4 MGD and is the last relatively inexpensive expansion. Any future expansion will cost well in excess of \$1 per gallon.

GAS

Recent expansion of natural gas distribution lines has enabled service delivery to additional customers. Wholesale cost is increasingly volatile and future natural gas costs are unpredictable.

Even so, the natural gas system should continue to grow. We are hopeful of more moderate, stable wholesale prices for the future. The City has made the decision to extend into southern Spartanburg County and industrial growth areas of Union County. Phase I of the expansion into southern Spartanburg County is complete with Phase II under construction, and Phase III scheduled for FY 2007-08.

ELECTRIC

Electric delivery capabilities have been enhanced with substation upgrades and ongoing pole and line replacement projects.

Wholesale cost increases are driving up the price the City must charge to remain in the electric business. Use of local generation to "peak shave" and reduce demand charges is now online. This generation has allowed us to leave our electric rates unchanged for FY 2008.

The City will continue to work with our power partners, Piedmont Municipal Power Association, to keep cost as low as possible. The recent renewed interest in nuclear generated power by Duke, SCE&G, and the federal government make PMPA's future much brighter. The City of Union will strive to offer reliable power at competitive rates.

BUDGET MESSAGE (CONT'D.)
PARKS AND RECREATION

Master planning for Parks and Recreation should be undertaken and accomplished. Public sentiment seems to be that more recreational opportunity should be provided. A past recreational survey has been a good foundation for progress. Council's response to the survey has been balanced and reasonable. The response includes improvements to existing facilities. Funds have been appropriated to provide additional recreational facilities. Continued support for our YMCA and passive recreation facilities is appropriate.

City Council may wish to consider additional future funding for festivals and other leisure-time activity as funds become available. Recreational opportunities should continue to be improved even in the face of scarce funding.

MOTORIZED EQUIPMENT

Approximately fifty-eight percent (58%) of the City's General Fund operating budget is used to fund the cost of personnel. This is typical of a service industry such as local government; however, in order for personnel to deliver expected services, a dependable fleet of motorized vehicles and equipment is necessary. A regular replacement schedule, and Council's willingness to fund the purchase of modern equipment, will sharply lower maintenance costs and "down-time" experienced by crews that currently have poor equipment.

The real cost of unreliable equipment is the cost of the crew that is "on the clock" but unable to function because equipment is down. The City work force must have the right equipment at the right time if they are to get the job done.

In any given year when replacement funding is not budgeted into this figure, the fleet "ages". For fiscal 2007-2008, some equipment needs have been addressed.

Also, City Council is concerned about the rising cost of fuel and realize that the City must take a strong look at alternative fuels and their application. Council has instructed staff to replace vehicles with vehicles that use alternative fuel where possible and practical.

PERSONNEL COSTS

About fifty-eight percent (58%) of the City's General Fund operating budget is used for personnel costs, including salaries, retirement, health insurance, social security, workman's compensation insurance and some other benefits like longevity bonuses, sick-leave buy-back, Christmas bonus, etc. The average cost of wages will increase by three percent (3%) in 2007-2008.

Health insurance costs are projected not to increase for fiscal 2007-2008.

BUDGET MESSAGE (CONT'D.)

The City of Union is currently budgeting almost \$575,000 in fiscal 2007-2008 to provide health insurance to employees, City Council, and some retirees. The resumption of large annual premium increases will soon force an evaluation of this benefit.

PARKING

As Union develops, there will be renewed pressure to provide parking in the downtown areas. Consideration should be given to long-range planning for public parking downtown and citywide.

ANNEXATION

Careful selection of annexation opportunities will spread the overall cost of municipal services across a larger tax base. This, in turn, will reduce the cost of government to the individual property owner. Recent Supreme Court decisions in South Carolina make annexation even more difficult by requiring property owner consent in almost all situations. As Union County continues to grow in future years, annexation strategy will be an important part of the City's planning processes. South Carolina annexation law is archaic and makes reasonable policy difficult.

ZONING AND BUILDING REGULATIONS

Zoning and building issues are anticipated to continue to dominate policy discussions in future years. Zoning review, site plan review, field verification, and enforcement of sign and development regulations will be an important part of the City's activities. Changes in state law regarding "takings" may impact Council's ability to zone and land-use plan effectively.

ECONOMIC DEVELOPMENT

The City-owned spec building in the Union Commerce Park should serve to attract new industry.

Every opportunity to present the City of Union as a community that is forward thinking and receptive to development should be explored.

Community appearance and its quality of life are always considerations for locating an industry. The competition is tremendous, and we must respond aggressively if Union is to grow.

The City Council has re-established the Vision Committee. City Council and the community together must decide where our City should go in the future. Our new Vision process will identify a host of goals and objectives the City should pursue.

BUDGET MESSAGE (CONT'D.)
INTERGOVERNMENTAL/AGENCY COOPERATION

Many problems in the new millennium may be beyond the resources of the City and require a joint solution by area governments if a particular problem is to be solved.

In fact, long-range solutions may mandate cooperation since it is increasingly difficult for one government or agency to solve their individual problem without an adverse impact to another government.

Consolidation of service delivery should always be considered.

Future Fiscal Status

While we have been able to produce a General Fund budget that is balanced, we have done so by the dependence of a fee in lieu from the Utility Fund.

The Utility Funds are losing customer base.

Future budgets will be very difficult to balance without additional revenues.

City Council must continue to explore ways to bring new resources to the General Fund and seriously consider ways to increase the City's existing revenues. A local sales tax is sorely needed.

Slow growth in revenues is not keeping up with inflationary pressures, federal and state mandates, personnel costs driven by health insurance and workman's compensation expenses, and work-place regulations.

There is also a demonstrated need for expanded and new programs and services and a strong dependence on the City by the community to address problems and make things happen.

Early projection of General Fund revenues and current programs reveal a renewed deficit situation in future budgets. New or expanded costs will worsen our situation for fiscal 2007-2008 and beyond.

In the Enterprise Fund, the full impact of mandated projects and the cost of wholesale energy continues to be felt in fiscal 2007-2008. Dependence of the General Fund upon the Enterprise Fund may cause additional rate increases and/or the curtailment of necessary capital improvement projects. The Enterprise Fund continues to lose customer base that will not be replaced in the near future.

Union's financial condition is changing by virtue of shrinking customer base of the City's Combined Utility Fund and declining tax base and lack of revenue options in the General Fund.

BUDGET MESSAGE (CONT'D.)

We must work together to change this trend and if the challenge of revenue generation can be met, there is no reason why the City should not continue to be fiscally healthy.

Conclusion

This budget contains many dollars for continuing programs and machinery and equipment replacement. General Fund dependence on the Combined Utility Fund is a concern. A negative cash-flow in the Combined Utility Fund must be addressed.

The budget shows the City in good financial condition, despite no growth, customer loss, lack of assistance from State and Federal sources, and General Fund dependence upon the Combined Utility Fund. Many challenges lie ahead.

Above all, gratitude and appreciation is extended to City Council for their numerous hours devoted to understanding the budget and for their guidance and support. Special appreciation is extended to Council for addressing many difficult issues.

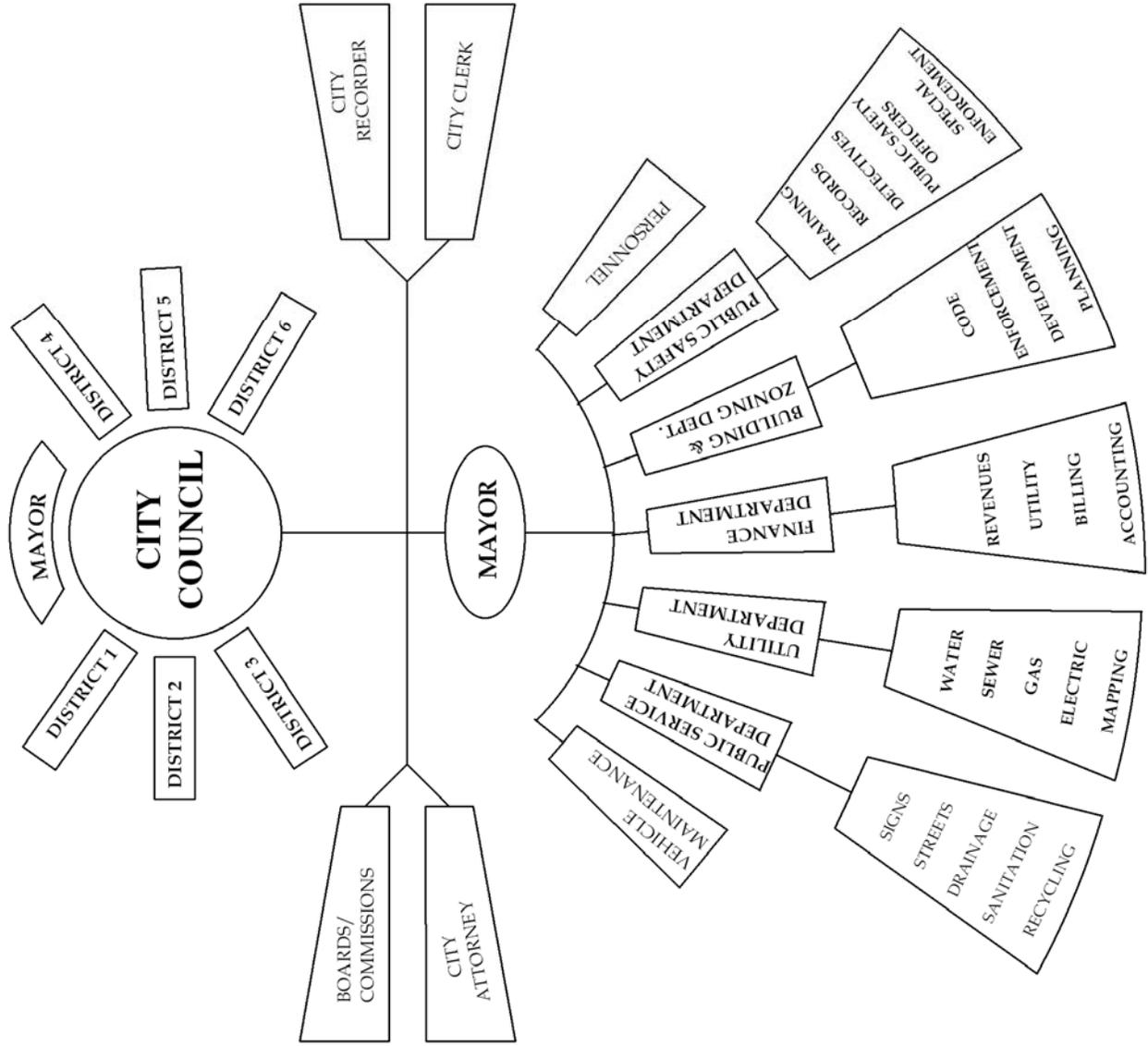
This budget would not have come to be if it were not for the hard work and long hours spent by many City Employees in its preparation.

Sincerely,



E. Bruce Morgan
Mayor, City of Union

PERSONNEL



EMPLOYEES BY DEPARTMENT

<u>CLASSIFICATION</u>	<u>FY2003</u> <u>ADOPTED</u>	<u>FY2004</u> <u>ADOPTED</u>	<u>FY2005</u> <u>ADOPTED</u>	<u>FY2006</u> <u>ADOPTED</u>	<u>FY2007</u> <u>ADOPTED</u>	<u>FY2008</u> <u>ADOPTED</u>
LEGISLATIVE	8	8	8	9	9	9 (1)
CITY ADMINISTRATOR	2	2	2	0	0	0
CITY COURT	1	1	1	1	1	1
CITY ATTORNEY	1	1	1	1	1	1
PERSONNEL	1	1	1	0	0	0
TAX & LICENSE	2	2	2	2	2	1
PUBLIC SAFETY	42	40	37	38	38	39 (5)
PUBLIC SERVICE - STREET DEPT.	9	9	8	7	7	7
PUBLIC SERVICE - SOLID WASTE	12	12	10	9	9	8 (2)
BUILDING & ZONING	3	3	3	3	3	4
VEHICLE MAINTENANCE	4	4	4	4	4	4
ACCOUNTING	4	4	4	4	4	4
UTILITY BILLING	11	11	11	11	11	11
UTILITIES - ADMINISTRATION	3	2	2	3	3	3
UTILITIES - SUPPORT SERVICES	5	5	4	4	4	4
UTILITIES - ELECTRIC	11	11	10	9	8	8
UTILITIES - WATER	14	14	14	14	13.5	13.5 (3)
UTILITIES - WASTEWATER	7	8	7	7	6.5	6.5 (3)
UTILITIES - GAS	9	9	8	8	9	10 (4)
GRANTWRITER	0	0	1	0	0	0
TOTAL	149	147	138	134	133	134
LESS ELECTED OFFICIALS	7	7	7	7	7	7
	142	140	131	127	126	127

1. The Mayor, six councilmembers, the Municipal Clerk/Personnel Director, and the Management Services Secretary are budgeted in this account.
2. Loss of one Solid Waste Collector position.
3. Water and Wastewater Supervisor has been combined into one position.
One full time position has been eliminated.
4. A Heavy Equipment Operator position was added to the Natural Gas division.
5. The Animal Control position was divided into two (2) part-time positions.

PERSONNEL REPORT

The City of Union is the County Seat of Union County with just under 9,000 persons residing within the four and a half square miles of corporate limits. The City of Union is a community of gradual but positive change, along with hospitality and courtesy. Our primary goal is service to our citizens.

CITY ORGANIZATION

The City of Union is under the Mayor-Council form of government. This structure consists of a Mayor and six Councilmembers. City Council employs a Mayor who handles all of the day-to-day activities of the City. He has responsibility for the hiring of all budgeted positions except for those non-classified positions directly appointed by City Council.

City services are organized into departments and divisions.

The City of Union continues to grow ever so slightly, requiring City services to grow at the same pace. New employees have only been added after much consideration, to carry out the tasks of the City. Presently 122 full-time, 4 part-time positions carry out the operations of the City government. The budget for fiscal year 2007-2008 contains one new position, but through attrition and equipment modernization eliminated one position in Solid Waste Management. The new position is a heavy equipment operator in the natural gas division.

The key to any service provider is people. The City of Union is proud of its work force and the job that they do. We feel that the employee is an investment in time and money with performance being the only measurement of return on that investment.

Employee Benefits

To keep pace with employee needs, there have been many changes in the overall benefit package of the City of Union.

Health Insurance

The City of Union provides health and dental insurance under its group policy with the State Plan which is administered by the S.C. Budget and Control Board, Office of Insurance Services. Health insurance coverage is one of the most valuable benefits that our employees enjoy. Many employers have elected to discontinue coverage and offer employees a one-time salary increase. The responsibility for obtaining coverage would then rest with the employee. In many cases, employees elect to not buy coverage and take a chance that they or their families will not have health problems.

Personnel (Continued)

The City of Union joined the State Plan in July 1997. This has proven to be one of the best things that could have happened for the City and the employees. Even though the State Plan will experience an increase in premiums, the City's plan will be offset by our experience rating being favorable for the past two years. The City is able to absorb the State Plan increase as well as our employees.

City employees are able to have their claims electronically filed by participating physicians. Most employees prefer to drop by the office or call to inquire on payment status or problems in dealing with doctors or hospitals. When employees are not satisfied with the way a claim is handled, the Personnel Director acts as a liaison between the claimant and the third party administrator (Office of Insurance Services).

The City has been involved with a Cafeteria Plan for several years, with limited participation. In 1998, the City began using the Money-Plus option of the State Health Plan. This plan enables employees to pay out-of-pocket child care or health expenses from pre-tax dollars, with more money being left in the pocket of the employee. The City has also been energetic in other areas of employee benefits. A Buy-Back for sick leave that rewards employees for not abusing the use of sick leave and the implementation of a Wage and Compensation study are some of the more significant changes in the City of Union benefit package.

Training remains a top priority and employees are urged to develop their work skills. Training is offered and often required in order to keep employees proficient and up to date in their work. An aggressive training program headed by a Training Officer is in place and working well in the Public Safety Department. The services of a Safety Consultant have proven to be an effective way to curb the rising cost of Workers' Compensation insurance. All employees are expected and encouraged to take advantage of any opportunities for training that may be offered. The Personnel Office makes every attempt to keep Department Heads aware of all training opportunities as they become available.

Compensation

In FY 2001-02, a Wage and Compensation Study resulted in a position classification system with a recommended salary schedule, new job descriptions and a Performance Appraisal System. This system has worked well for the City.

Even though there has been relative stability in personnel numbers and costs over the last several years, there are several factors that would point toward future growth in personnel and personnel costs in the future.

- The recent Census showed that Union lost several hundred residents, but commercial areas are growing and with the City accepting utility customers outside the City limits, the demand for City services will surely grow as industry locates in the Mack Johnson and Union Commerce Industrial Parks.

Personnel (Continued)

- Departmental requests for new positions will continue. While reorganization has been used as an effective tool to control growth in the workforce, growth in services will require new employees.
- Cost to provide employee benefits will increase. Health insurance costs are projected not to increase this year. Continued promotion of safety equipment and employee recognition of proper safety procedures will be important.
- Use of courtesy inspections from the S.C. Department of Labor as well as our own Safety Committee will increase our awareness of potential hazards to our employee. SCMIT now provides inspections as well.
- The Bloodborne Pathogens Standard has significantly changed the way some employees work. Public Safety and Public Works employees have undergone extensive training on the requirements and steps needed to comply with the Act. HBV vaccine has been provided to all employees identified as “at risk”. The final effect and costs of this regulation are still to be calculated.
- In 2001, a wage and compensation study updated salaries and adjusted salary grades for equity within the organization. Annual adjustments to reflect the market conditions will also be needed.
- The Omnibus Transportation Testing Act which took effect in January 1995 will require implementation of a drug and alcohol testing policy as well as random tests for all drivers who have CDL driver’s license.

Future efforts toward reducing personnel costs must be explored, while at the same time seeking to improve employee productivity. Benefit costs per employee are sure to rise.

**CITY OF UNION
ANNUAL BUDGET
FY 2007-2008**

PERSONNEL SUMMARY

DESCRIPTION	2007-2008 ADOPTED POSITIONS	2007-2008 ADOPTED BUDGET
GENERAL FUND		
<u>LEGISLATIVE</u>		
Mayor	1	
Councilmembers	6	
Municipal Clerk/Personnel Director	1	
Management Services Secretary	1	
Total	9	\$309,140
<u>CITY COURT</u>		
Municipal Judge	1	
Total	1	\$26,870
<u>CITY ATTORNEY</u>		
Total	1	\$57,880
<u>TAX & LICENSE</u>		
Tax Coordinator	1	
Total	1	\$44,700
<u>PUBLIC SAFETY</u>		
Director Public Safety	1	
Captains	2	
Lieutenants	3	
Investigators I	1	
Investigators II	2	
Sergeants	4	
Corporals	4	
Public Safety Officers	12	
School Resource Officers	4	
Animal Control - part-time	2	
Records Clerks	2	
Part-time officers	2	
Total	39	\$2,175,580
<u>PUBLIC SERVICE - STREET</u>		
Supervisor	1	
Heavy Equip Oper.	6	
Total	7	\$349,300
<u>BUILDING & ZONING</u>		
Building Official	1	
Property Maintenance Inspector	1	
Building/Zoning Coordinator	1	
Business License Coordinator	1	
Total	4	\$211,620

SOLID WASTE FUND

SOLID WASTE

Public Service Director	1	
Public Service Receptionist	1	
Light Equipment Operators	4	
Solid Waste Collectors	2	
Total	8	\$379,580

UTILITIES

FINANCE - ACCOUNTING

Finance Director	1	
Accountant	1	
Payroll Coordinator	1	
Accounts Payable Coordinator	1	
Total	4	\$231,540

FINANCE - UTILITY BILLING

Senior Meter Reader	1	
Meter Readers	4	
Account Clerks	4	
Customer Service Representative	1	
Utility Billing Coordinator	1	
Total	11	\$482,940

VEHICLE MAINTENANCE

Maintenance Director	1	
Auto Technician II	1	
Auto Technician III	1	
Utility Worker	1	
Total	4	\$220,050

UTILITY ADMINISTRATION

Utility Director	1	
Administrative Assistant	1	
Mapping Technician	1	
Total	3	\$223,880

UTILITY SUPPORT SERVICES

Utilities Coordinator	1	
Maintenance Technician	1	
Warehouse Coord & Purch.	1	
Service Locator	1	
Total	4	\$250,320

ELECTRIC

Construction & Maintenance Supervisor	1	
Assistant Supervisor	1	
Lineman II	5	

Lineman - Trainee	1	
Total	<u>8</u>	<u>\$537,420</u>
<u>WATER</u>		
Water & Wastewater Plant Supervisor	0.5	
Construction & Maintenance Supervisor	1	
Assistant Supervisor	1	
Serviceman	1	
Heavy Equipment Operators	2	
Utility Workers	2	
Water Plant Operators	6	
Total	<u>13.5</u>	<u>\$765,060</u>
<u>WASTEWATER</u>		
Water & Wastewater Plant Supervisor	0.5	
Wastewater Plant Operators	6	
Total	<u>6.5</u>	<u>\$434,940</u>
<u>NATURAL GAS</u>		
Construction & Maintenance Supervisor	1	
Assistant Supervisor	1	
Welder	1	
Heavy Equipment Operator	4	
Utility Workers	1	
Measurement & Control Dispatcher	1	
Gas Dispatcher/Serviceman	1	
Total	<u>10</u>	<u>\$518,370</u>
CITYWIDE TOTAL	133	
Less Elected Officials	<u>7</u>	
TOTAL	126	\$7,219,190

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FINANCIAL SUMMARIES

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CITY OF UNION
 SOURCES AND USES
 FISCAL YEAR 2008

	GOVERNMENTAL FUNDS						ENTERPRISE FUNDS			TOTAL		
	GENERAL FUND	VICTIMS' ADVOCATE	ECONOMIC DEV.	CAPITAL IMP.	SIDEWALK FUND	DRUG FUND	COMMUNITY CHANGE	TAX INCREMENT DISTRICT	INSURANCE PROCEEDS		UTILITY	SOLID WASTE
REVENUES												
Taxes and penalties	\$982,000							\$100,000				\$1,082,000
Fee in lieu of taxes	1,906,770											1,906,770
License, permits, and fees	1,012,500											1,012,500
Fines and forfeitures	90,000	10,000										100,000
State collecting taxes	445,060											445,060
Intergovernmental Revenue	626,110											626,110
Interest	70,000								40,000	450,000	5,000	565,000
Other	5,000									330,800		335,800
Solid waste fee											728,000	728,000
Sales-electric									13,186,930			13,186,930
Sales-water									3,049,440			3,049,440
Sales-gas									19,802,970			19,802,970
Charges-wastewater									1,856,740			1,856,740
Other income- net of bad debts									-14,000			(14,000)
Community Change						20,000						20,000
Transfers			100,000		75,000						130,000	305,000
Fund Balance/Reserves	258,230	5,000		15,000		500		-		2,629,580		2,908,310
TOTAL REVENUES	\$ 5,395,670	\$ 15,000	\$ 100,000	\$ 15,000	\$ 75,000	\$ 500	\$ 20,000	\$ 100,000	\$ 40,000	\$ 41,292,460	\$ 863,000	\$ 47,916,630
EXPENDITURES/EXPENSES												
Personnel cost	\$3,191,040									\$2,080,480	\$379,580	\$5,651,100
Power and natural gas for resale										\$26,532,270		\$26,532,270
Maintenance and operations	1,595,590	15,000				500	20,000	50,000		5,243,570	328,350	\$7,253,010
Allocation	96,490									2,275,200	37,100	\$2,408,790
Capital equipment replacement	147,550									365,000	25,000	\$537,550
Capital cost-Infrastructure				15,000	75,000					3,588,400		\$3,678,400
Economic incentive program			28,720									\$28,720
Debt service	60,000		71,280					50,000		1,207,540	67,000	\$1,455,820
Transfers	305,000											\$305,000
EXPENDITURES/EXPENSES	\$5,395,670	\$15,000	\$100,000	\$15,000	\$75,000	\$500	\$20,000	\$100,000	\$0	\$41,292,460	\$837,030	\$47,850,660
RESERVES												
	\$0	\$0	\$0	\$0		\$0	\$0	\$0	40,000	\$0	\$25,970	\$65,970
TOTAL USES OF FUNDS	\$5,395,670	\$15,000	\$100,000	\$15,000	\$75,000	\$500	\$20,000	\$100,000	\$40,000	\$41,292,460	\$863,000	\$47,916,630

**CAPITAL SUMMARY
ALL FUNDS**

The City has begun a policy to purchase all capital on a pay-as-you-go financing methodology. Capital expenditures have been chosen based on the availability of funding. The City's equipment is first rate and the majority of its infrastructure is in good to excellent condition, with the exception of an aged water distribution/wastewater collection system. The financing of needed improvements/equipment on a pay-as-you-go basis will have to be furnished by increasing utility rates.

A summary of capital by fund and department is in the following table for the budgeted fiscal year. Capital expenditures make up a substantial portion of the budgetary expenditure of \$47,850,660.

<u>FUND</u>	<u>TOTAL CAPITAL</u>
General	\$ 147,550
Solid Waste Management	25,000
Vehicle Maintenance	16,000
Utility Administration	75,000
Combined Utility	<u>3,973,400</u>
TOTAL	\$4,236,950
<u>DEPARTMENT</u>	
City Facilities	\$ 10,000
Public Safety	110,650
Building and Zoning	26,900
Solid Waste Management	25,000
Finance – Utility Billing	16,000
Utility Administration	75,000
Support Services	20,000
Electric	985,000
Water	783,500
Wastewater	1,047,900
Gas	<u>1,137,000</u>
TOTAL	\$4,236,950

ALL FUNDS CAPITAL

Capital purchases within the General Fund have increased this year. The City believes that in order to successfully deliver the various services to its constituents, it is necessary to provide first-class equipment and facilities in order for employees to efficiently perform the City's many specialized tasks. The City has shown the willingness to provide the necessary equipment for employees to meet the many service demands of the public. Timely replacement of motorized equipment is necessary in order to ensure the most efficient delivery of services. Other vehicles, such as fire trucks, construction equipment and pickup trucks, are replaced based upon a set replacement schedule. This replacement policy ensures that equipment being used by employees for the public is in good working order, which protects the interest of those who work and live in the City of Union.

GENERAL FUND CAPITAL

<u>DIVISION</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
City Facilities	Various Equipment	\$ 10,000
Public Safety	Police Vehicles – 3 Chevy Impalas - 1 4 x 4 Pickup Truck	88,650 22,000
Building and Zoning	1 – 4 x 4 Pickup Truck	<u>26,900</u>
<u>TOTAL GENERAL FUND CAPITAL FY2008:</u>		<u>\$ 147,500</u>

SOLID WASTE MANAGEMENT FUND

The Solid Waste Management Fund has been in transition since its inception July 1, 1995. With the closing of the Union County Landfill and the opening of a private landfill over 25 miles from the City, a decision was made FY2002-03 to build a transfer station. This building was financed with an advance from the General Fund using undesignated General Fund Balance.

<u>DIVISION</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Solid Waste Management	Garbage Carts	<u>\$ 25,000</u>
<u>TOTAL SOLID WASTE MANAGEMENT FY2008:</u>		<u>\$ 25,000</u>

COMBINED UTILITY FUNDS – EQUIPMENT

The Combined Utility Fund is made up of electric, water, wastewater, and natural gas divisions. The above utilities are supported by several other departments.

The following table will list the various capital expenditures for equipment and motor vehicles:

<u>DIVISION</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Finance – Utility Billing	Mobile Field Collector	\$ 16,000
Utility Administration	Wireless Applications	75,000
Support Services	Pickup Truck	20,000
Electric	Line Truck	175,000
Water	Pickup Truck	20,000

Wastewater	T.V. Inspection Equipment	85,000
Natural Gas	Pickup Truck 4 x 4	25,000
	Commercial Truck	<u>60,000</u>

TOTAL COMBINED UTILITY EQUIPMENT AND MOTOR VEHICLES: \$ 476,000

The City's policy capitalization threshold is \$5,000 for equipment. Any of the above items less than \$5,000 are shown under tools and equipment in the operating and maintenance section of the budget. All items over \$5,000 are budgeted as capital and will be depreciated.

COMBINED UTILITY FUNDS - INFRASTRUCTURE

Several major improvements are budgeted from the combined utility for FY2008. Again, the pay-as-you-go mechanism will be used to fund these various projects. All projects listed below will be funded from operations or from retained earnings.

The Combined Utility is projected to spend \$3,588,400 on capital projects. The following is a summary of projects for FY2007.

ELECTRIC

For system improvements to include new subdivisions, street lighting and pole replacement. City employees' salary and benefits are included in this amount.	\$275,000
Reconductor Industrial Park Circuit #3 on Meansville Road	185,000
Electric Distribution Equipment Maintenance	50,000
Gateways to City (to supplement Opportunity Grant)	250,000
Transformer Storage at Border Station	<u>50,000</u>
TOTAL ELECTRIC:	\$810,000

WATER

General upgrades to the system, to include Monarch and Buffalo. This consists of replacing distribution piping, water tanks, pump station. Also included is cost for engineering and materials.	\$348,600
Water Plant – replace horizontal service pump rotating parts	21,000
- repair 1.5 mg clearwell	50,000
Portacel Chorinator	12,000
Algae control units for settling basins	12,000
Replace handrails	42,250
Clean and paint inside of 6 filters	12,650

Capital improvements water distribution system	
- replace valves	60,000
- water meter replacement	80,000
- reservoir – variable speed drive – ISO HP pump	75,000
- miscellaneous work – pump station	<u>50,000</u>
TOTAL WATER:	\$763,500

WASTEWATER

Appropriated for sewer collection rehabilitation and improvement in the Union, Buffalo, and Monarch area. Included in these costs are materials and engineering fees.	\$619,000
Coleman Street Lift Station – electric control panel	11,500
Tosch Creek Plant – major equipment repair or replacement, aerators, clarifiers, and pumps.	60,400
Supernatant Pump Station	75,000
Meng Creek – major equipment repair or replacement, aerators, clarifiers, and pumps	52,000
Bulk Storage Tank and Appurtenances for chemical feed	70,000
SCADA System – Phase II – Monitor pump stations	<u>75,000</u>
TOTAL WASTEWATER:	\$962,900

NATURAL GAS

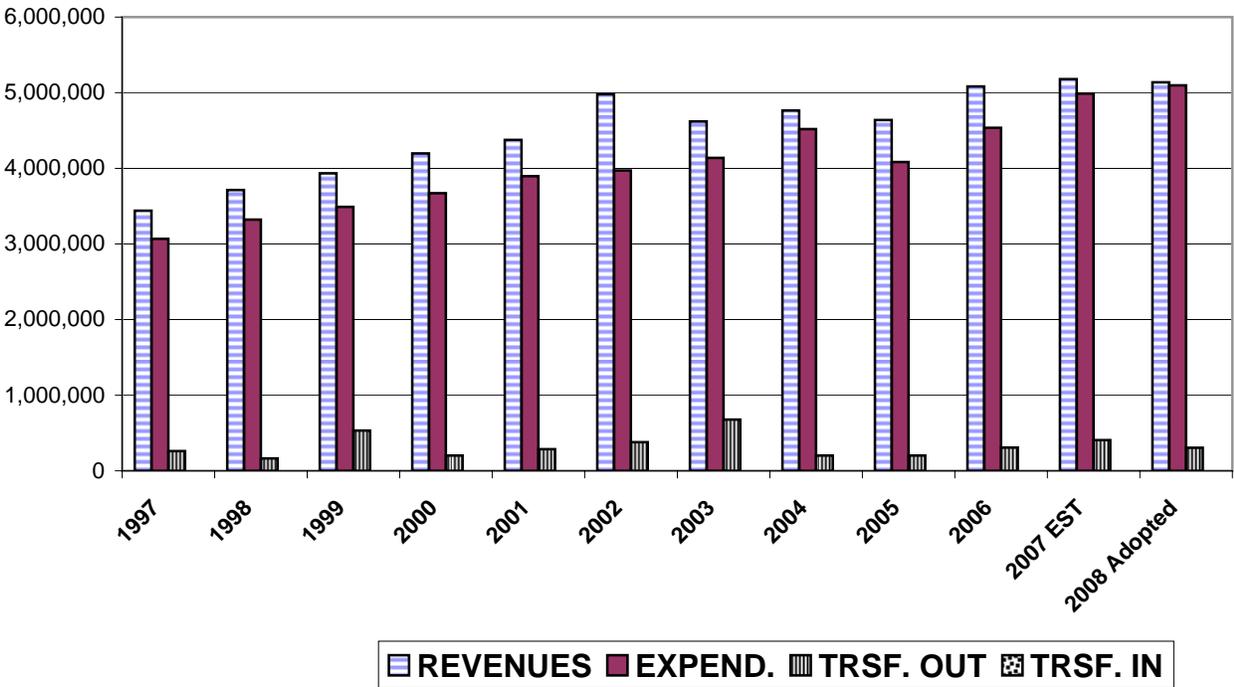
Appropriated to expand system in specific areas (small runs), service extensions to dwellings or businesses. Included in this amount are employee salaries and fringe benefits that will be capitalized. Also included are material and engineering costs.	\$255,000
System expansion in Glenn Springs – Phase II – SC 215	230,000
Phase III-B – LP Poly – Spartanburg County Roads	350,000
System expansion – Hwy 9 to Hwy 49 – Phillipi Church Road	172,000
Meter replacement	<u>45,000</u>
TOTAL NATURAL GAS:	\$1,052,000

The following is a list of capital infrastructure expenditures projected for FY2008 by division in the

combined utility:

<u>DIVISION</u>	<u>AMOUNT</u>
Electric	\$ 810,000
Water	763,500
Wastewater	962,900
Gas	<u>1,052,000</u>
TOTAL COMBINED UTILITY CAPITAL INFRASTRUCTURE:	\$3,588,400

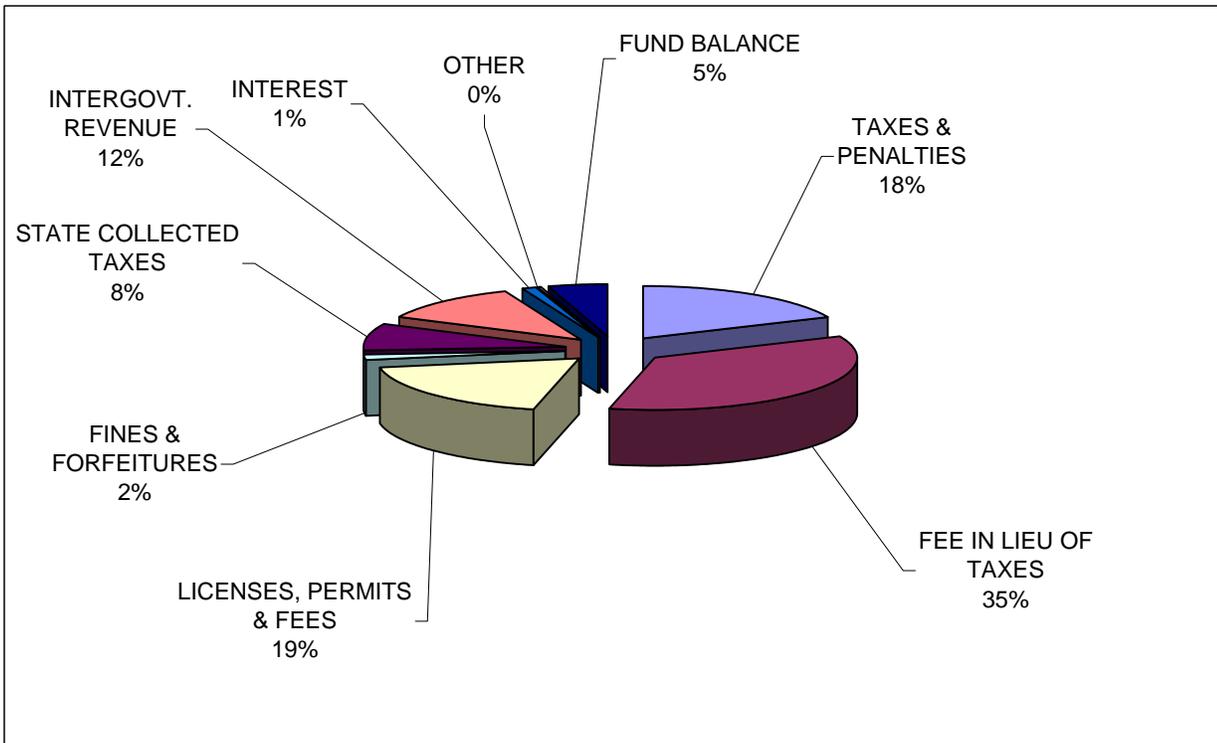
GENERAL FUND REVENUES & EXPENDITURES



The graph above represents a slight growth in the General Fund. The General Fund remains strong due to the fee in lieu that is transferred for the Enterprise Funds of the City. The adopted FY 2008 budget does not call for a tax increase and remains at 74.3 mils.

**CITY OF UNION
GENERAL FUND REVENUES
FISCAL YEAR 2008**

	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
TAXES AND PENALTIES	\$968,123	\$982,000	\$982,000	\$982,000
FEE IN LIEU OF TAXES	1,692,718	1,973,650	1,973,650	1,906,770
LICENSE, PERMITS, AND FEES	1,065,245	964,500	964,500	1,012,500
FINES AND FORFEITURES	96,729	85,000	85,000	90,000
STATE COLLECTED TAXES	467,093	445,060	445,060	445,060
INTERGOVERNMENTAL REVENUE	653,029	673,380	673,380	626,110
INTEREST	96,974	50,000	50,000	70,000
OTHER	42,587	5,000	5,000	5,000
FUND BALANCE	<u>0</u>	<u>214,850</u>	<u>214,850</u>	<u>258,230</u>
TOTAL	<u>\$5,082,498</u>	<u>\$5,393,440</u>	<u>\$5,393,440</u>	<u>\$5,395,670</u>

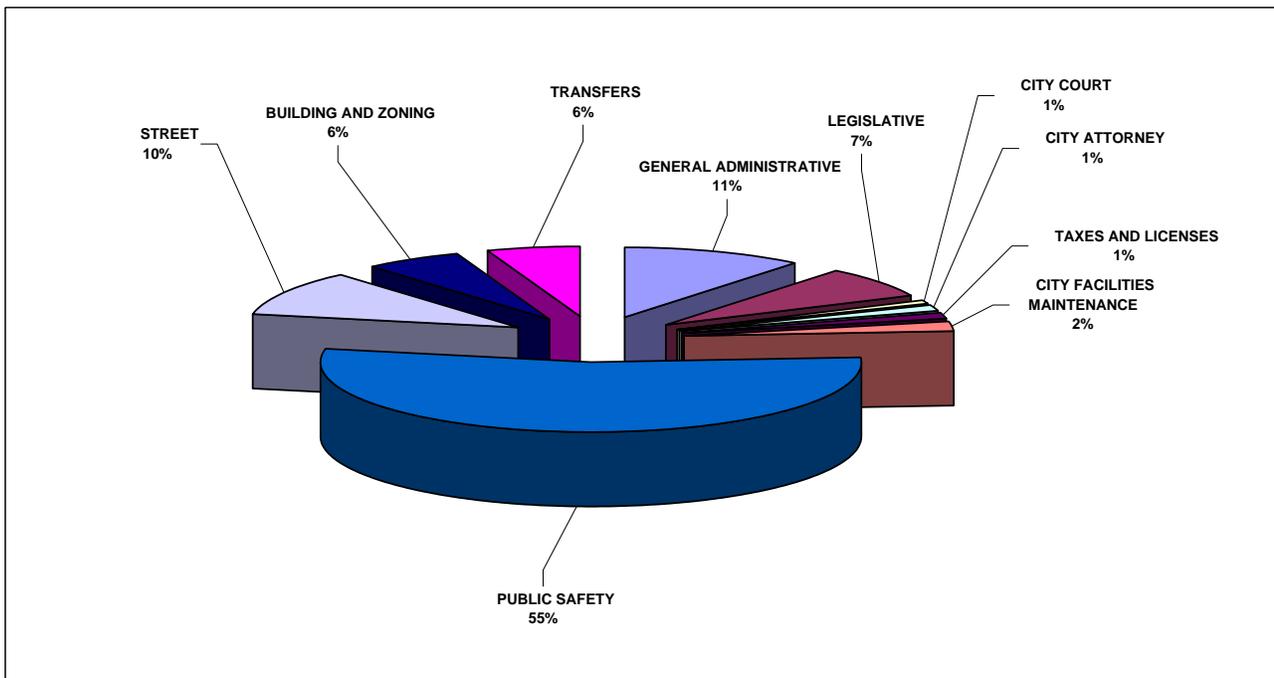


**CITY OF UNION
 DETAIL OF ESTIMATED REVENUE
 GENERAL FUND
 FISCAL YEAR 2008**

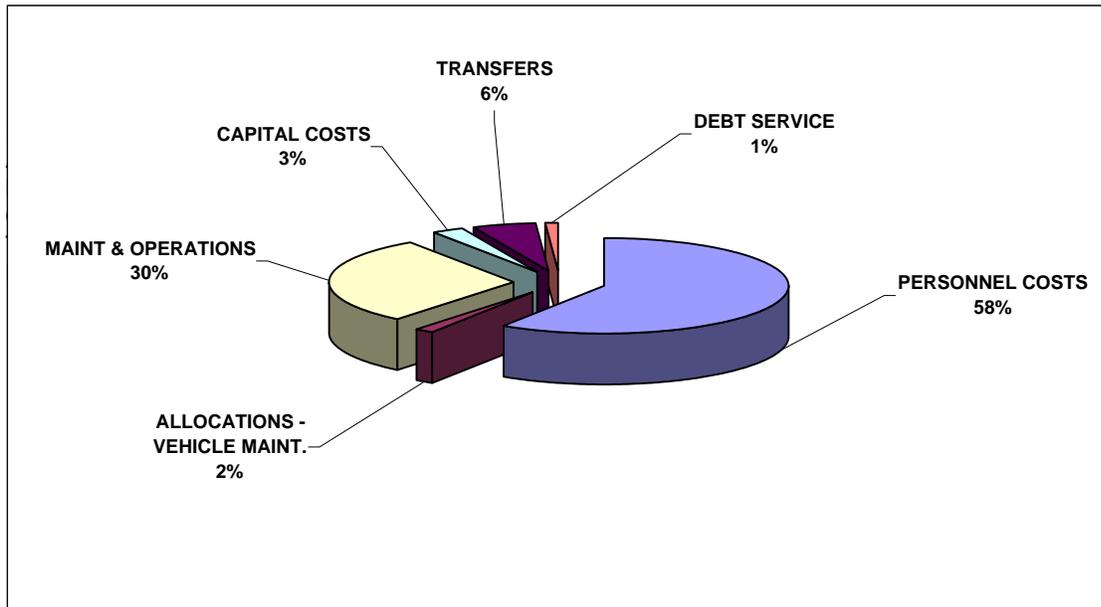
	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
BEGINNING FUND BALANCE	<u>\$2,929,454</u>	<u>\$2,986,984</u>	<u>\$2,986,984</u>	<u>\$2,797,154</u>
TAXES:				
GENERAL TAXES	942,931	962,000	962,000	962,000
PENALTIES & INT. ON DELQ. TAXES	<u>25,192</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
TOTAL	<u>968,123</u>	<u>982,000</u>	<u>982,000</u>	<u>982,000</u>
PAYMENT IN LIEU OF TAXES:				
HOUSING AUTHORITY	15,050	15,000	15,000	14,650
ENTERPRISE FUND-UTILITIES	1,641,237	1,922,450	1,922,450	1,855,920
ENTERPRISE FUND-SOLID WASTE MGMT.	<u>36,432</u>	<u>36,200</u>	<u>36,200</u>	<u>36,200</u>
TOTAL	<u>1,692,719</u>	<u>1,973,650</u>	<u>1,973,650</u>	<u>1,906,770</u>
LICENSES & PERMITS:				
BUSINESS & PROF. LICENSES	1,039,350	935,000	935,000	980,000
BUILDING ZONING & UTILITY PERMITS	<u>25,895</u>	<u>29,500</u>	<u>29,500</u>	<u>32,500</u>
TOTAL	<u>1,065,245</u>	<u>964,500</u>	<u>964,500</u>	<u>1,012,500</u>
FINES & FORFEITURES:				
FINES & REIMBURSEMENTS	<u>101,769</u>	<u>85,000</u>	<u>85,000</u>	<u>90,000</u>
TOTAL	<u>101,769</u>	<u>85,000</u>	<u>85,000</u>	<u>90,000</u>
STATE COLLECTED TAXES:				
AID TO SUBDIVISIONS	241,005	230,000	230,000	230,000
HOMESTEAD EXEMPTION	124,247	120,000	120,000	120,000
ACCOMMODATION TAX	48,838	45,000	45,000	45,000
MERCHANTS INVENTORY TAX	28,066	28,060	28,060	28,060
MANUFACTURER EXEMPTION	12,682	12,000	12,000	12,000
MOTOR CARRIER	<u>12,255</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
TOTAL	<u>467,093</u>	<u>445,060</u>	<u>445,060</u>	<u>445,060</u>
INTERGOVERNMENTAL REVENUE:				
OVERHEAD ALLOCATION:				
UTILITY	439,868	461,820	461,820	409,360
SOLID WASTE MANAGEMENT	94,448	96,560	96,560	96,750
SCHOOL DISTRICT REIMB.	<u>118,713</u>	<u>115,000</u>	<u>115,000</u>	<u>120,000</u>
TOTAL	<u>653,029</u>	<u>673,380</u>	<u>673,380</u>	<u>626,110</u>
USE OF MONEY:				
INTEREST	<u>96,974</u>	<u>50,000</u>	<u>50,000</u>	<u>70,000</u>
TOTAL	<u>96,974</u>	<u>50,000</u>	<u>50,000</u>	<u>70,000</u>
MISCELLANEOUS REVENUE:				
OTHER	<u>33,569</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
TOTAL	<u>33,569</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
GRAND TOTAL AVAIL. RESOURCES	<u>\$8,007,975</u>	<u>\$8,165,574</u>	<u>\$8,165,574</u>	<u>\$7,934,594</u>

**CITY OF UNION
SUMMARY OF EXPENDITURES
GENERAL FUND
FISCAL YEAR 2008**

	FY2006 ACTUAL	FY2007 BUDGETED	FY2007 ESTIMATED	FY2008 ADOPTED
GENERAL ADMINISTRATIVE	\$566,752	\$610,140	\$610,140	\$586,840
LEGISLATIVE	310,367	374,840	374,840	394,340
CITY COURT	31,392	39,610	39,610	39,760
ATTORNEY	93,985	77,240	77,240	79,880
TOTAL GENERAL GOVERNMENT	<u>\$1,002,496</u>	<u>\$1,101,830</u>	<u>\$1,101,830</u>	<u>\$1,100,820</u>
TAXES AND LICENSES	\$110,071	\$116,530	\$99,420	\$69,670
CITY FACILITIES MAINTENANCE	268,502	118,600	118,600	124,000
PUBLIC SAFETY	2,586,763	2,847,350	2,847,350	2,918,610
STREET	359,748	584,240	584,240	562,440
BUILDING AND ZONING	207,354	219,890	237,000	315,130
TRANSFERS	<u>309,566</u>	<u>405,000</u>	<u>405,000</u>	<u>305,000</u>
TOTAL GENERAL FUND	<u>\$4,844,500</u>	<u>\$5,393,440</u>	<u>\$5,393,440</u>	<u>\$5,395,670</u>



**CITY OF UNION
EXPENDITURES BY TYPE
GENERAL FUND
FISCAL YEAR 2008**



	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
PERSONNEL COSTS	\$2,889,136	\$3,094,270	\$3,094,270	\$3,191,040
MAINTENANCE & OPERATIONS	1,457,896	1,565,290	1,565,290	1,595,590
CAPITAL COSTS	94,944	170,950	170,950	147,550
DEBT SERVICE	17,344	60,000	60,000	60,000
ALLOCATIONS - VEHICLE MAINT.	75,614	97,930	97,930	96,490
TRANSFERS	<u>309,566</u>	<u>405,000</u>	<u>405,000</u>	<u>305,000</u>
TOTAL	<u>\$4,844,500</u>	<u>\$5,393,440</u>	<u>\$5,393,440</u>	<u>\$5,395,670</u>

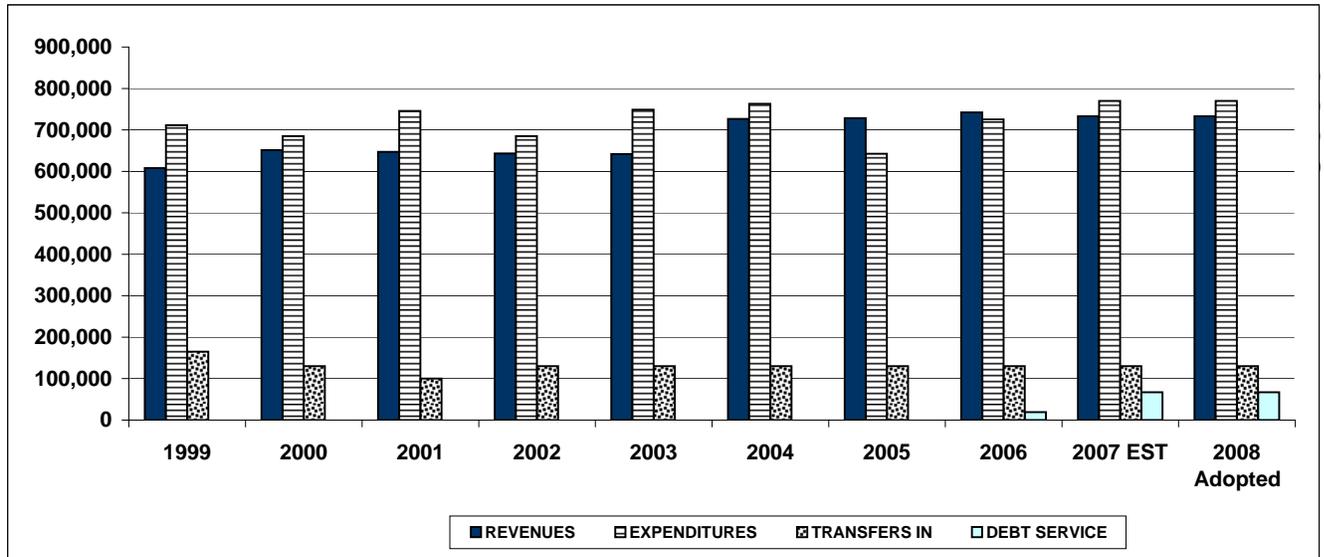
**CITY OF UNION
SUMMARY OF TRANSFERS
FISCAL YEAR 2008**

DEPT: GENERAL GOVERNMENT FUND BALANCE

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
3174	Transfer to Economic Development	\$71,280	\$100,000	\$100,000	\$100,000
3174	Transfer to Opportunity Grant	105,000	100,000	100,000	0
3174	Transfer to Solid Waste Management	130,000	130,000	130,000	130,000
3174	Transfer to Sidewalk Fund	<u>0</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
	TOTAL TRANSFER FROM GENERAL FUND	<u>\$306,280</u>	<u>\$405,000</u>	<u>\$405,000</u>	<u>\$305,000</u>

These funds will be transferred to the Economic Development Fund for Debt Service on the Old Union High School Building Project and to establish an economic incentive fund. The transfer to the Solid Waste Management is a supplement to revenues. Funds are also being transferred to the sidewalk fund for sidewalk repairs and improvements.

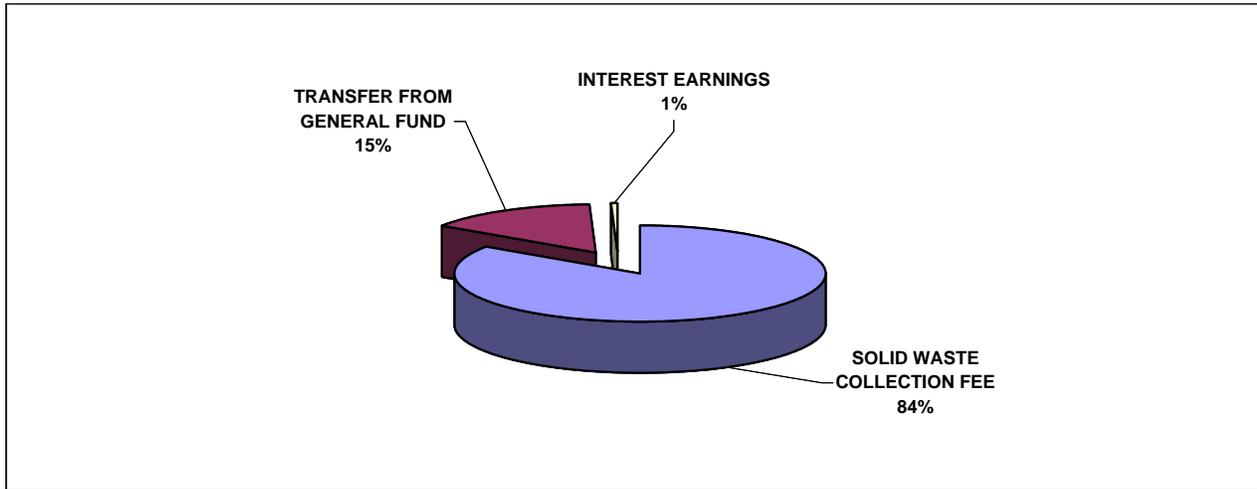
**CITY OF UNION
REVENUES & EXPENDITURES
SOLID WASTE MANAGEMENT FUND
FISCAL YEAR 2008**



The Solid Waste Management Fund, along with a monthly fee of \$12, was established on July 1, 1995. This fund was created to offset the increasing cost of hauling solid waste to the landfill. The City's General Fund made a transfer of \$100,000 in the first year of operations to assist in start-up costs. The fund was set up to be self-sustaining, but with the implementation of a "tipping fee" by Union County and increases in payroll and fuel cost, along with a loss of revenue, due mainly to the loss of commercial customers, a transfer of funds was implemented for FY1998 from the General Fund. FY2000 saw an increase in the monthly fee by \$1 and also a decrease in the amount of transfer needed from the General Fund. Again, for FY2001, a decrease in the transfer was proposed, but due to an increase in the "tipping fee" and high fuel cost, the transfer from the General Fund was increased for FY2002. A change in billing methodology from cubic yard to being billed by the ton caused the increased "tipping fee". The increased expenditures for FY2003 include Debt Service for a transfer station, as well as increases in payroll, overhead, and special contracts. FY2004 saw a \$2 increase in the monthly fee from \$13 to \$15. Even though the "tipping fee" is decreasing, it will be more than offset by a special contract for hauling waste from the transfer station to the landfill and increased cost of debt service on the transfer station. FY2005 shows a decrease in overall expenditures due mainly to the loss of two employees and not funding depreciation. FY2006 shows a slight decrease in overall expenditures. This decrease is due to lower operating cost, but does include an increase in debt service of \$42,000 to pay for the lease purchase of a garbage truck. FY2007 was mainly a status quo year. FY 2008 showed an increase of less than 1% due to the continued downsizing of personnel as we modernize our equipment. The fund is balanced by the transfer of \$130,000 from the General Fund. The monthly fee of \$15 will remain unchanged.

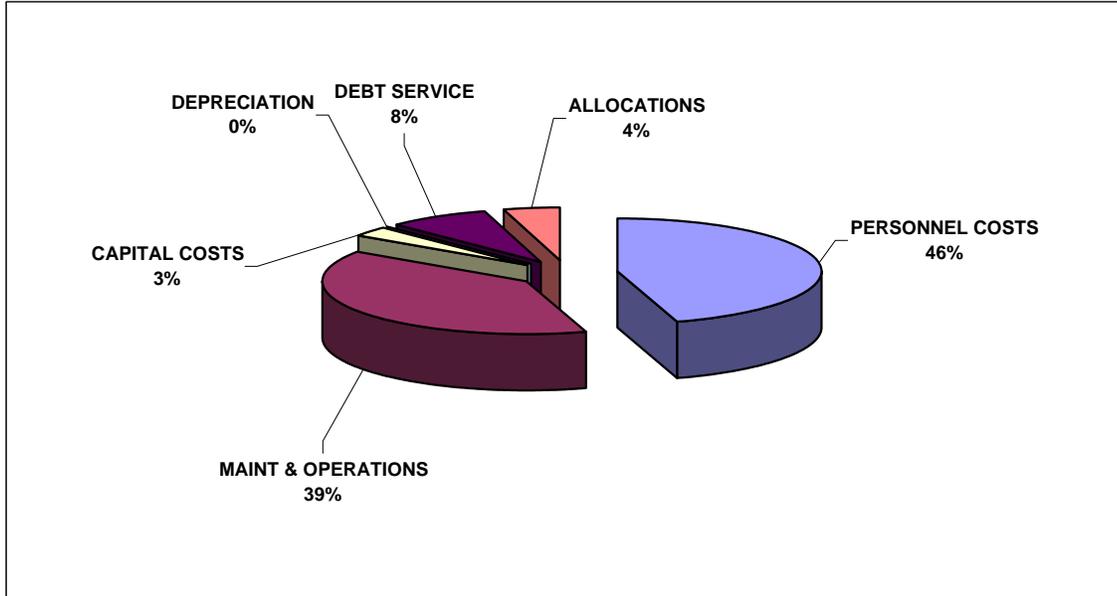
**CITY OF UNION
SUMMARY OF REVENUE
SOLID WASTE MANAGEMENT FUND
FISCAL YEAR 2008**

<u>OPERATING REVENUE</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
SOLID WASTE COLLECTION FEE	\$736,428	\$728,000	\$728,000	\$728,000
INTEREST EARNINGS	5,649	0	5,000	5,000
TRANSFER FROM GENERAL FUND	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
TOTAL	<u>\$872,077</u>	<u>\$858,000</u>	<u>\$863,000</u>	<u>\$863,000</u>



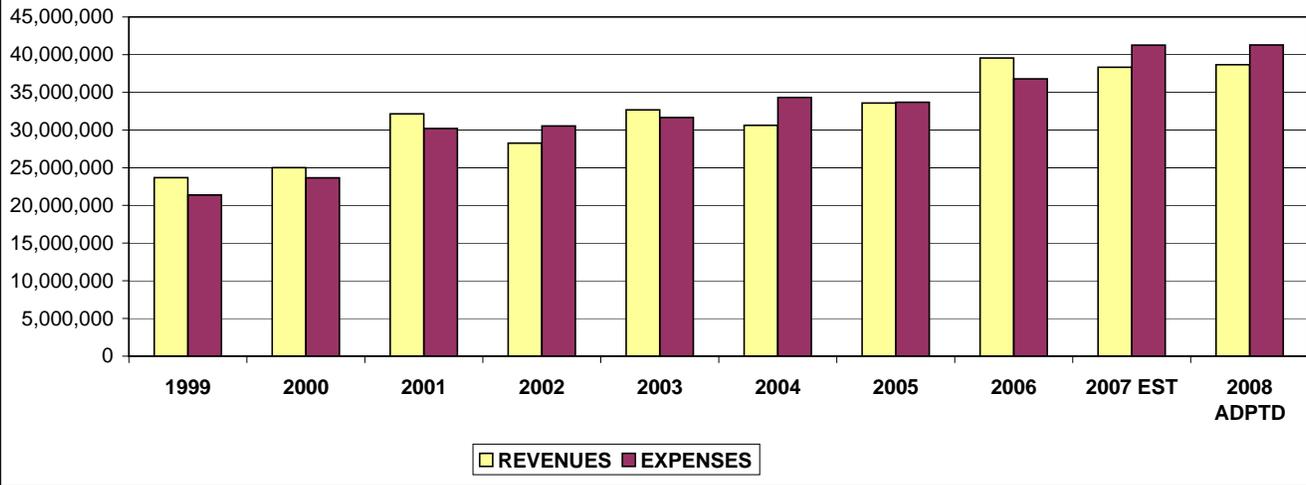
**CITY OF UNION
EXPENDITURES BY TYPE
SOLID WASTE MANAGEMENT FUND
FISCAL YEAR 2008**

	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
PERSONNEL COSTS	\$379,000	\$406,910	\$406,910	\$379,580
MAINTENANCE AND OPERATIONS	309,459	310,960	310,960	328,350
ALLOCATIONS	35,582	42,350	37,100	37,100
CAPITAL COSTS	1,231	15,000	15,000	25,000
DEBT SERVICE	<u>19,019</u>	<u>67,000</u>	<u>67,000</u>	<u>67,000</u>
TOTAL	<u>\$744,291</u>	<u>\$842,220</u>	<u>\$836,970</u>	<u>\$837,030</u>



FY 2008 shows a slight increase in the overall budget due mainly to the loss of two employees and not funding depreciation.

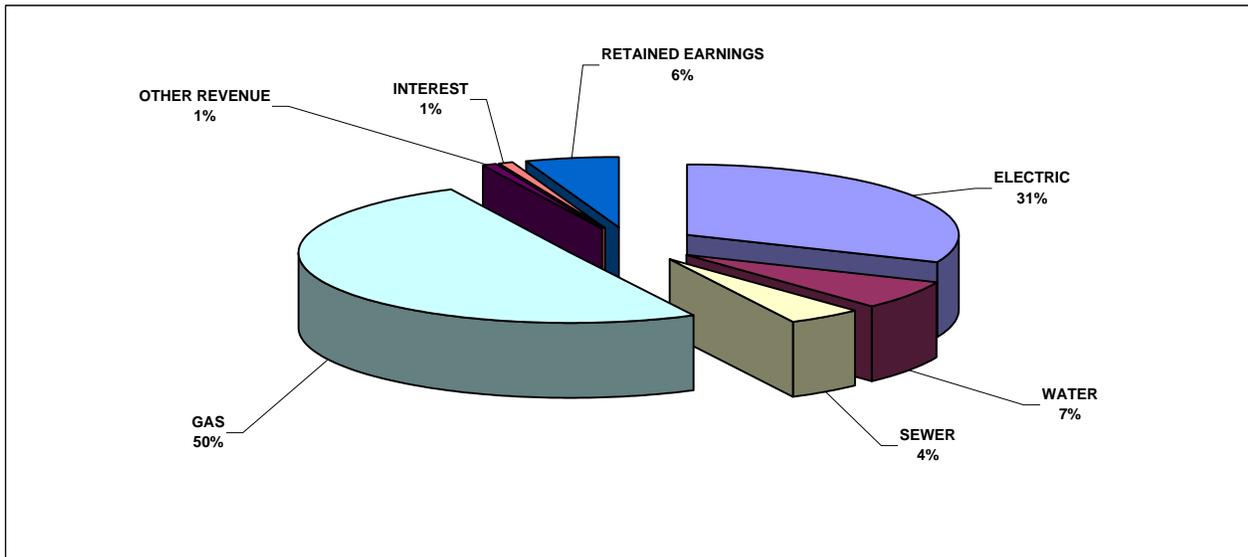
ENTERPRISE FUND REVENUES & EXPENSES



The above graph represents income from the Combined Utility System from FY1998 to FY2007. From FY1994 to FY1997, there was a steady growth. FY1997 was a year when natural gas became a volatile commodity, and there was a major change in our billing determinants for wholesale electric cost. In FY1998, with implementing a purchase power adjustment and a normal winter of gas sales, we were able to increase our revenues over expenditures and maintain throughout FY1999. FY2000 saw increases in water and wastewater of 9% each, and a change in natural gas billing methodology established a base facility charge and cost of service rate that will change monthly. FY2001 was the year of runaway natural gas prices and continued purchase power increases due to an ongoing drought in our area. FY2002 reflects increases in water and wastewater rates of 9% and a ten cents per decatherm increase for our natural gas interruptible customers. Expenditures exceeded revenues in FY2002 due mainly to cost associated with improvements to the combined system. FY2003 again reflects a 9% water and wastewater rate increase and a reduction in Retained Earnings due to the pay-as-you-go financing methodology being used by the City. FY2004 saw water and wastewater rates increase by 9%. FY2005 saw an increase in water rates by 9%, a sewer charge increase of 5% in volume, plus a \$3 base facilities charge increase. Also, natural gas rates will increase on the average of 3% and a \$2.05 base facilities charge increase. FY2006 saw increased water and sewer rates by 9% by volume. All utility rates remain unchanged for FY2007. FY 2008 includes a 10% increase in water and sewer rates by volumes. Electric and Natural Gas base rates remain unchanged. The City will use prior year retained earnings of \$2,629,580 to offset expenditures. The use of retained earnings is due mainly to the need to maintain our infrastructure and to expand our natural gas system.

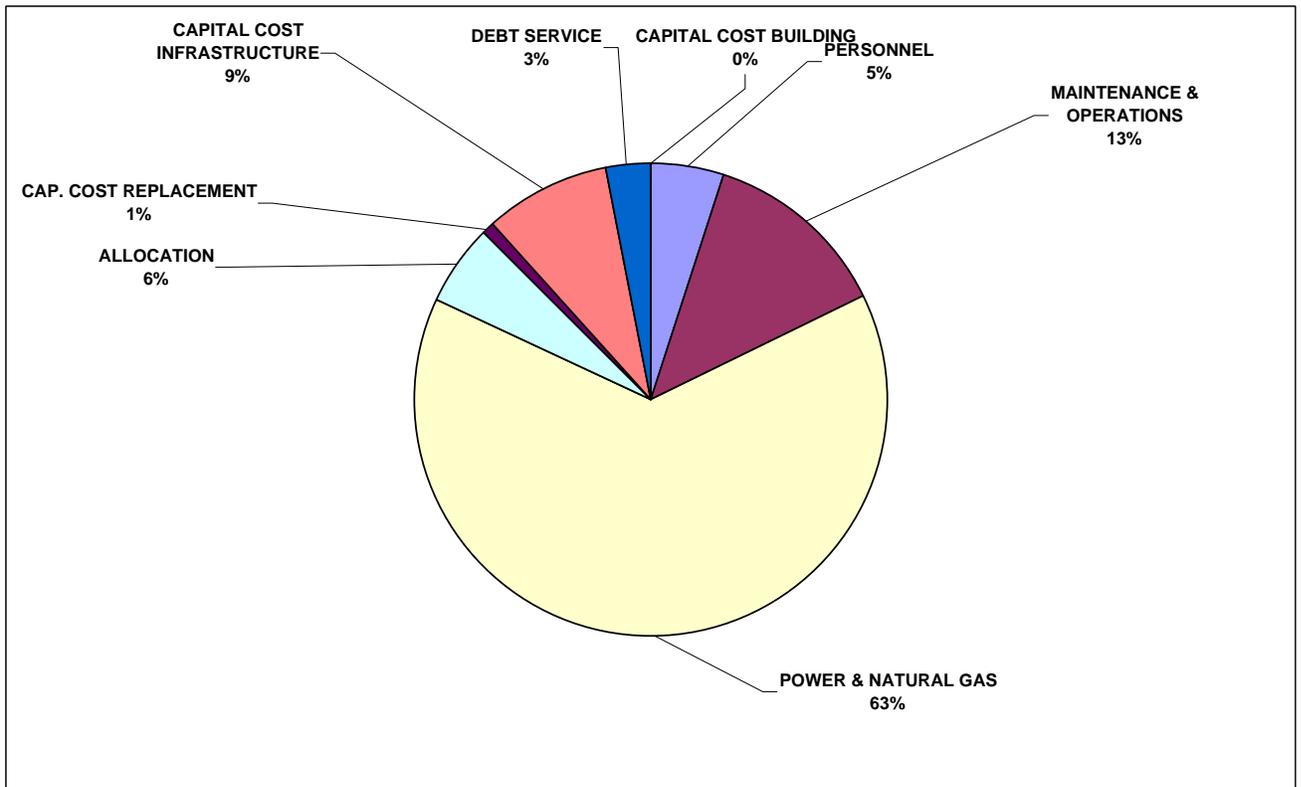
**CITY OF UNION
SUMMARY OF REVENUE
ENTERPRISE FUND
FISCAL YEAR 2008**

<u>OPERATING REVENUE</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
ELECTRIC SALES	\$13,265,237	\$12,960,980	\$13,083,000	\$13,186,930
OTHER OPERATING - ELECTRIC *	-7,947	92,000	(6,000)	(5,000)
WATER SALES	2,779,680	2,763,270	2,763,270	3,049,440
OTHER OPERATING - WATER *	11,611	5,000	5,000	10,000
SEWER CHARGES	1,736,476	1,790,440	1,700,000	1,856,740
OTHER OPERATING - SEWER *	-6,188	-8,000	-8,000	-6,000
GAS SALES	20,562,347	20,751,060	20,150,000	19,802,970
OTHER OPERATING - GAS *	-10,277	-38,000	-13,000	-13,000
NON-OPERATING REVENUE	638,303	261,800	253,800	330,800
INTEREST EARNED	589,441	365,000	405,000	450,000
RETAINED EARNINGS	<u>0</u>	<u>2,323,790</u>	<u>2,934,270</u>	<u>2,629,580</u>
TOTAL REVENUE	<u>\$39,558,683</u>	<u>\$41,267,340</u>	<u>\$41,267,340</u>	<u>\$41,292,460</u>



**CITY OF UNION
ENTERPRISE EXPENSES
BY TYPE
FISCAL YEAR 2008**

	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
PERSONNEL COSTS	\$2,080,770	\$2,080,770	\$2,080,480
POWER AND NATURAL GAS FOR RESALE	\$27,274,300	\$27,274,300	\$26,532,270
MAINTENANCE & OPERATIONS	4,746,950	4,746,950	5,243,570
ALLOCATION (INCLUDES PERSONNEL COSTS)	2,234,260	2,234,260	2,275,200
CAPITAL COST - REPLACEMENT EQUIPMENT	164,000	164,000	365,000
CAPITAL COST - INFRASTRUCTURE (INCLUDES PERSONNEL COSTS)	3,081,200	3,081,200	3,588,400
CAPITAL COST - BUILDING	500,000	500,000	0
DEBT SERVICE	<u>1,185,860</u>	<u>1,185,860</u>	<u>1,207,540</u>
TOTAL	<u>\$41,267,340</u>	<u>\$41,267,340</u>	<u>\$41,292,460</u>



**CITY OF UNION
SUMMARY OF EXPENDITURES
UTILITY DEPARTMENT
FISCAL YEAR 2008**

	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
ELECTRIC	\$11,042,260	\$11,042,260	\$11,482,180
WATER	1,771,750	1,771,750	1,933,560
SEWER	1,481,560	1,481,560	1,490,600
GAS	19,806,450	19,806,450	18,949,980
ALLOCATIONS*			
VEHICLE MAINTENANCE	124,400	124,400	119,690
FINANCE - ACCOUNTING	323,110	323,110	346,750
- UTILITY BILLING	607,560	607,560	642,750
UTILITIES ADMINISTRATION	367,620	367,620	389,830
SUPPORT SERVICES	338,750	338,750	366,820
GENERAL FUND	472,820	472,820	409,360
CAPITAL COSTS - REPLACEMENT**	164,000	164,000	365,000
CAPITAL COSTS - INFRASTRUCTURE***	3,081,200	3,081,200	3,588,400
CAPITAL COSTS - BUILDING	500,000	500,000	0
DEBT SERVICE	<u>1,185,860</u>	<u>1,185,860</u>	<u>1,207,540</u>
TOTAL EXPENDITURES	<u>\$41,267,340</u>	<u>\$41,267,340</u>	<u>\$41,292,460</u>

*OVERHEAD ALLOCATION EXPENSES IN PAST BUDGETS WERE INCLUDED IN ELECTRIC, WATER, SEWER AND GAS EXPENDITURES.

** CAPITAL COST FOR THE PURCHASE OF CONSTRUCTION EQUIPMENT AND VEHICLES

*** CAPITAL COST FOR THE CONSTRUCTION AND INSTALLATIONS OF ELECTRIC LINES, STREET LIGHTS, GAS SERVICE LINES AND ETC. THESE COSTS INCLUDE IMPROVEMENTS PERFORMED BY THE CITY'S WORKFORCE. PERSONNEL COSTS ARE INCLUDED.

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ENTERPRISE FUND

CAPITAL IMPROVEMENT 5-YEAR PLAN

CAPITAL IMPROVEMENT

UTILITIES DEPARTMENT

The City of Union has in place a (5) Five-Year Capital Improvement Plan. This plan identifies improvements to the electric, water, wastewater and natural gas divisions.

This plan encompasses improvements to the existing system, as well as expansion needs. The City provides water to most of Union County, either directly or through water districts, and has natural gas in two (2) counties. This creates a demand to continually upgrade and expand our system. Although the City's electric system territory is limited, our customer base is approximately 7,100. Our sewer system is continually being pressured to expand into unincorporated parts of our county to meet the county's economic development needs to assist existing industries who are facing strict regulations with their own systems.

The funding for these projects will come from current revenues or retained earnings, borrowing of funds, or from grants, if possible. The projects listed for FY2008 will probably be funded by current revenues or retained earnings and will be prioritized in order of need and funds availability.

The (5) Five-Year Capital Improvement Plan is presented on the following pages:

CITY OF UNION, SOUTH CAROLINA
UTILITIES DEPARTMENT

CAPITAL IMPROVEMENTS FORECAST - 2007-2012

	<u>ESTIMATED SCHEDULE</u>	<u>ESTIMATED COST</u>	<u>2007-08 ADOPTED</u>
I Electric Distribution System Forecast			
1* General Improvements	2007-12	\$1,380,000	\$275,000
2 Remove approximately 1.5 miles of Old Filter Plant Circuit #3	2008-09	\$100,000	
3* Reconductor Industrial Park Circuit No. 3 on Meansville Road	2007-08	\$185,000	\$185,000
4* Electric Distribution Equipment Maintenance	2007-08	\$50,000	\$50,000
5* Gateways	2007-08	\$250,000	\$250,000
6* Transformer Storage @ Border Station	2007-08	\$50,000	\$50,000
ELECTRIC TOTAL		\$2,015,000	
*PROBABLY REQUIRED		\$1,915,000	\$810,000
	<u>ESTIMATED SCHEDULE</u>	<u>ESTIMATED COST</u>	<u>2007-08 ADOPTED</u>
II Water System Forecast			
1* General Improvements to Distribution System.	2007-12	\$1,743,000	\$348,600
2 Aqual Lane Pump Station Upgrade.	2010-11	\$250,000	
3* Replace valves in distribution system	2007-08	\$60,000	\$60,000
4* Reservoir Variable Speed Drive-150 HP Pump	2007-08	\$75,000	\$75,000
5 Water Plant, Replace Turbidimeters.	2008-09	\$32,000	
6* Water Plant Maintenance: Replacement, horizontal service pump rotating parts.	2007-08	\$21,000	\$21,000
7* River Pump Station - Miscellaneous Work Allowance.	2007-12	\$260,000	\$50,000
8 River Engine Generator.	2009-10	\$383,000	
9 Water Plant - SCADA System Improvements			
a. Phase IV- Generator Controls and Flow Pacing Chemical Pumps	2008-09	\$52,000	
10 New Pump, Piping, Electrical at Ellen Sager Pump Station.	2008-09	\$66,000	
11* Water Meter Replacement.	2007-12	\$400,000	\$80,000
12* Water Plant- Repair 1.5 MG Clearwell	2007-08	\$50,000	\$50,000
13* Water Plant - Portacel Chlorinator	2007-08	\$12,000	\$12,000
14* Water Plant-Algae Control Units for Settling Basins	2007-08	\$12,000	\$12,000
15.* Water Plant- Remove and Replace Handrails	2007-08	\$42,250	\$42,250
16.* Water Plant- Clean and Paint Inside of 6 filters	2007-08	\$12,650	\$12,650
WATER TOTAL:		\$3,470,900	
*PROBABLY REQUIRED:		\$2,687,900	\$763,500

	<u>ESTIMATED SCHEDULE</u>	<u>ESTIMATED COST</u>	<u>2007-08 ADOPTED</u>
III Sewer System Forecast			
1	Sewer to industry sites on SC Highway 215, SC 194 and U.S. 176.		
	a. Phase I. Parallel Sewer Line from Med. Science Dr. to near Tosch's Creek WWTP.	2009-10	\$1,190,000
	b. Phase II. See Tosch's Creek Plant below, Items 7b and 7c.		
2*	Sewer Collection - Rehabilitation and Improvements.	2007-12	\$1,935,000
			\$387,000
3*	Buffalo Area System - Improvements.	2007-12	\$580,000
			\$116,000
4*	Monarch Area System - Improvements.	2007-12	\$580,000
			\$116,000
5	SCADA System - Phased Construction.		
	a.* Phase II -Monitor Pump Stations	2007-08	\$150,000
	b. Phase III - Monitor WWTP's	2009-12	\$500,000
			\$75,000
6*	Meng Creek Plant.		
	a.* Major Equipment Repair and/or Replacement, Aerators, Clarifiers and Pumps.	2007-12	\$260,000
			\$52,000
	b.* Coleman Street Lift Station Electric Control Panel	2007-08	\$11,500
			\$11,500
	c.* Bulk Storage Tank and Appurtenances for Chemical Feed	2007-08	\$70,000
			\$70,000
	d. Engine Generator (150-200 KVA)	2008-09	\$75,000
7*	Tosch's Creek Plant.		
	a.* Major Equipment Repair Allowance. Aerators, Clarifiers, Blowers, Chlorinators, Instruments.	2007-12	\$302,000
			\$60,400
	b. Sludge Facilities.	2011-12	\$1,945,000
	c. Additional Clarifier and Sludge Pumps.	2011-12	\$994,000
	d. Disinfection Alternatives.	2008-09	\$520,000
	e. Replace Electrical Panels at four Aerators.	2008-09	\$32,000
	f. Replace Clarifier Equipment.	2008-09	\$275,000
	g.* Supernate Pump Station	2007-08	\$75,000
			\$75,000
8	Beltline Plant.		
	a. Disinfection Alternatives. (Note: Estimated Cost of Pumping to Tosch's Creek WWTP is \$1,170,000)	2009-10	\$216,000
SEWER TOTAL			\$9,710,500
* PROBABLY REQUIRED			\$3,963,500
			\$962,900

	<u>ESTIMATED SCHEDULE</u>	<u>ESTIMATED COST</u>	<u>2007-08 ADOPTED</u>
IV Natural Gas System Forecast.			
1* System Expansion in Selected Areas.	2007-12	\$1,275,000	\$255,000
2 New 10" H.P. Steel along US Highway 176 between Union and Pacolet - 75,000 ft.	2008-12	\$5,315,000	
3 New 10" HP Steel along U.S. 176 from south of S.C. 295 southerly for 8,000 ft.	2008-09	\$500,000	
4* System Expansion to Glenn Springs Area.			
a* Phase II- 4" L.P. Poly along S.C. 215 from Glenn Springs to Meadow Woods Road	2007-09	\$460,000	\$230,000
b. Phase III - L.P. Poly- Spartanburg County Roads			
1)* Phase III-B	2007-08	\$350,000	\$350,000
2) Phase III-C	2008-11	\$1,900,000	
c. Phase IV - L.P. Poly- Union County Roads	2008-12	\$1,000,000	
5* System Expansion along S.C. 9 from Bentley Town Road to Phillipi Church Road and along Phillipi Church Road from S.C. 9 to S.C. 49	2007-08	\$172,000	\$172,000
6 System Expansion along S.C. 49 from near Old Ferry Road to Phillipi Church Road-10,600' of 4" Poly.	2008-09	\$99,950	
7* Meter Replacement	2007-12	\$225,000	\$45,000
GAS TOTAL		\$11,296,950	
*PROBABLY REQUIRED		\$2,482,000	\$1,052,000
	<u>ESTIMATED SCHEDULE</u>	<u>ESTIMATED COST</u>	<u>2007-08 ADOPTED</u>
V General Work			
1 Relocate Warehouse Facility	2009-10	\$884,000	
GENERAL WORK TOTAL		\$884,000	
ADOPTED FY2008 TOTAL			\$3,588,400
GRAND TOTAL - 5 YR. PLAN		\$26,493,350	

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ENTERPRISE FUND

DEBT SERVICE REQUIREMENTS

CITY OF UNION
 UTILITY FUND
 AGGREGATE OUTSTANDING DEBT SERVICE
 FISCAL YEAR ENDING 2008

DESCRIPTION	DUE IN ONE YEAR			LONG-TERM DEBT		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
SERIES 2004 BONDS	\$450,000	\$353,400	\$803,400	\$8,610,000	\$2,631,600	\$11,241,600
S.C. REVOLVING FUND						
MENG CREEK WASTEWATER	44,234	21,510	65,744	478,316	96,944	575,260
TOSCH CREEK WASTEWATER	76,606	38,460	115,066	856,819	178,778	1,035,597
S.C INRATRUCTURE REVOLVING FUND						
OAKGROVE WATERTANK AND GENERATOR	27,382	45,127	72,509	932,820	517,345	1,450,165
WATER AND SEWER SYSTEM IMPROVEMENTS	<u>89,297</u>	<u>44,880</u>	<u>134,177</u>	<u>1,439,974</u>	<u>304,327</u>	<u>1,744,301</u>
TOTAL PRINCIPLE AND INTEREST	<u>\$687,519</u>	<u>\$503,377</u>	<u>\$1,190,896</u>	<u>\$12,317,929</u>	<u>\$3,728,994</u>	<u>\$16,046,923</u>

AGGREGATE OUTSTANDING DEBT SERVICE

The preceding page represents principal and interest due by the City's Utility Fund for FY2008 and total debts beyond one year. The following information details each issue by purpose amount, interest rate and maturity dates.

1. In 1997, the City had borrowed \$882,772 including accrued interest from the SC Budget and Control Board – State Revolving Loan Fund for the Meng Creek Wastewater Treatment Plant Outfall and Parallel Sewer Project. The loan has an interest rate of 4.25% and is due in eighty quarterly installments of \$16,436 for 20 years beginning April 1, 1997. During the previous year principal payments in the amount of \$42,403 reduced the balance of \$594,954 to \$478,316.
2. In 1997, the City borrowed \$1,545,040 from the SC Budget and Control Board – State Revolving Loan Fund for the Tosch Creek Wastewater Treatment Plant Outfall Project. The loan has an interest rate of 4.25% and is due in eighty quarterly installments of \$28,767 for 20 years beginning August 1, 1997. During the previous year principal payments in the amount of \$73,435 reduced the balance of \$1,006,860 to \$933,425.
3. In 1998, the City borrowed \$1,156,261 from the State Budget and Control Board – SC Infrastructure Facilities Authority for the Oak Grove Elevated Tank and Water Plant Engine Generator Project. The loan has an interest rate of 4.75% and requires 120 quarterly installment payments of \$19,067 beginning September 1, 1998. During the previous year principal payments in the amount of \$26,119 reduced the balance of \$986,321 to \$960,202.
4. On June 7, 2000, the City signed an agreement to borrow \$2,012,467 from the State Budget and Control Board – SC Infrastructure Facilities Authority for water and sewer system improvements. The loan has an interest rate of 3% and requires 80 quarterly installment payments of \$33,544 beginning July 1, 2001. During the previous year principal payments in the amount of \$86,668 reduced the balance of \$1,615,938 to \$1,529,271.
5. On December 28, 2004, the City issued \$9,480,000 Combined Utility System Refunding Revenue Bonds, Series 2004. These bonds were used to call the 1993 and 1994 Series Bonds. The Series 2004 Bonds are issued by Financial Guaranty Insurance Company. The bonds mature on December 1 in the years 2006 through 2021 at an interest rate of 4.00%. During the year principal payments in the amount of \$420,000 reduced the balance from \$9,480,000 to \$9,060,000.

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EXPENDITURES

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**FISCAL YEAR 2008
REGULAR EMPLOYEES
GENERAL GOVERNMENT DEPARTMENT**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
LEGISLATIVE	8(1)	8(1)	8(1)	8(1)	9	9
CITY ADMINISTRATOR	2	2	2	0	0	0
CITY COURT	1	1	1	1	1	1
LEGAL	1	1	1	1	1	1
PERSONNEL	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	13	13	13	11	11	11

(1) The Mayor, six (6) Councilmembers, Management Services Secretary and the Municipal Clerk/Personnel Director are budgeted in this account.

**SUMMARY OF EXPENDITURES
GENERAL GOVERNMENT DEPARTMENT
FISCAL YEAR 2008**

	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
GENERAL ADMINISTRATIVE	\$566,752	\$610,140	\$610,140	\$586,840
LEGISLATIVE	310,367	374,840	374,840	394,340
CITY COURT	31,392	39,610	39,610	39,760
CITY ATTORNEY	93,985	77,240	77,240	79,880
TOTAL GENERAL GOVERNMENT	<u>\$1,002,496</u>	<u>\$1,101,830</u>	<u>\$1,101,830</u>	<u>\$1,100,820</u>

This is the total dollar amount expended in order to accomplish the levels of service and goals of this Department. The money to accomplish this function has come from more than one fund source.

DEPT: GENERAL GOVERNMENT

DIVISION: ADMINISTRATIVE - #5100

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5005	CHRISTMAS ALLOWANCE	\$2,500	\$3,000	\$3,000	\$3,000
5011	INSURANCE-RETIREEES	6,888	9,000	9,000	12,950
5017	GRANTS WRITER	0	25,000	25,000	25,000
TOTAL PERSONNEL EXPENSE		<u>\$9,388</u>	<u>\$37,000</u>	<u>\$37,000</u>	<u>\$40,950</u>
5094	RENTAL ASSISTANCE - FLYNN BLDG.	\$15,600	\$15,600	\$15,600	\$15,600
5095	SPECIAL EVENTS	26,345	28,400	28,400	30,350
5096	YMCA PARTNERSHIP	25,000	25,000	25,000	25,000
5097	RENTAL ASSISTANCE-FAIRFOREST I PROJ.	9,000	9,000	9,000	9,000
5098	RENTAL ASSISTANCE-FAIRFOREST IV PROJ.	14,400	14,400	14,400	14,400
5099	PARKING LOT LEASE	3,720	4,000	4,000	2,200
5117	COMMUNICATIONS	70,881	70,000	70,000	35,000
5119	CONTINGENCY	32,444	40,000	40,000	40,000
5121	COMMUNITY DEVELOPMENT	121,740	121,740	121,740	129,340
5127	GENERAL INSURANCE	238,234	245,000	245,000	245,000
TOTAL OPERATING EXPENSE		<u>\$557,364</u>	<u>\$573,140</u>	<u>\$573,140</u>	<u>\$545,890</u>
TOTAL GENERAL ADMIN.		<u>\$566,752</u>	<u>\$610,140</u>	<u>\$610,140</u>	<u>\$586,840</u>

<u>SPECIAL EVENTS (*5095)</u>	<u>BUDGETED 2005/2006</u>	<u>BUDGETED 2006/2007</u>	<u>ADOPTED 2007/2008</u>
UNION COUNTY RECREATION DEPT.	10,000	10,000	10,000
BOOGALOO BROADCASTING CO.	5,000	5,000	5,000
UNION MEMORY WALK	250	250	250
UNIQUELY UNION FESTIVAL	2,000	2,000	2,000
UNION AMERICAN RED CROSS	1,250	2,500	2,500
UNION HIGH BAND-AIDE CLUB	350	350	350
YOUTH LEADERSHIP	300	300	2,000
VETERANS' DAY PARADE	1,000	1,000	1,000
UNION CO BRANCH NAACP	2,000	2,000	2,000
WE CARE, INC.	500	500	500
UNION COUNTY CRIME STOPPERS	1,000	1,000	1,000
UNION COUNTY ARTS COUNCIL	2,000	2,000	2,000
FEDERATION OF THE BLIND	500	500	500
THE AMERICAN LEGION	1,000	1,000	1,000
MENTAL HEALTH OF AMERICA			250
	27,150	28,400	30,350

<u>COMMUNITY DEVELOPMENT APPROPRIATIONS (**5121)</u>	<u>BUDGETED 2005/2006</u>	<u>BUDGETED 2006/2007</u>	<u>ADOPTED 2007/2008</u>
GREATER UNION AREA CHAMBER OF COMMERCE	\$30,000	\$30,000	\$37,600
OLDE ENGLISH DISTRICT COMMISSION	2,340	2,340	2,340
UNION COUNTY YMCA	75,000	75,000	75,000
UNION COUNTY HISTORICAL FOUNDATION	14,400	14,400	14,400
	<u>\$121,740</u>	<u>\$121,740</u>	<u>\$129,340</u>

ACCOUNT 5100 GENERAL ADMINISTRATIVE

ACCOUNT NARRATIVE

The General Administrative Account provides for the charges that are difficult to distribute to other City departments. This account provides for payment of services not available through City departments. The account helps the accounting function greatly by avoiding the time-consuming process of splitting or allocating charges to various accounts. Additionally, this account budgets monies for studies projects or consultants that affect the entire City.

Funding Sources:	\$373,840	-	General Fund
	\$177,500	-	Utility Fund
	\$ 35,500	-	Solid Waste Management

ACCOUNT ANALYSIS

Funding is provided in this account for a self-funded insurance pool for all insurances, except workmen's compensation and health. The insurance pool is the South Carolina Municipal Insurance Reserve Fund. Major expenditures in this account include grants to outside agencies. Also, there are funds in this account to fund special events, communications, and rent payments for private public partnerships the City is involved in.

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY, REGULAR	\$201,174	\$229,500	\$229,500	\$234,810
5002	OVERTIME PAY	56	1,000	1,000	1,000
5004	LONGEVITY BONUS	1,981	3,060	3,060	3,160
5011	INSURANCE-MED./LIFE/BUY BACK	24,185	25,840	25,840	25,870
5012	RETIREMENT	15,657	19,180	19,180	22,030
5013	SOCIAL SECURITY	14,675	17,940	17,940	18,360
5014	WORKER'S COMPENSATION	3,311	3,440	3,440	3,780
5015	CHRISTMAS BONUS	<u>100</u>	<u>100</u>	<u>100</u>	<u>130</u>
TOTAL PERSONNEL EXPENSE		<u>\$261,139</u>	<u>\$300,060</u>	<u>\$300,060</u>	<u>\$309,140</u>
5110	ADVERTISING	\$2,089	\$5,000	\$5,000	\$5,000
5117	COMMUNICATIONS	0	300	300	6,000
5118	DECORATIONS	2,510	12,000	12,000	12,000
5136	MAINTENANCE CONTRACTS	758	2,100	2,100	2,000
5138	MEMBERSHIPS/SUBSCRIPTIONS	9,232	10,500	10,500	10,500
5139	EQUIPMENT LEASE	3,019	2,700	2,700	2,700
5144	TOOLS AND EQUIPMENT	4,159	5,000	5,000	0
5145	PRINTING/OFFICE SUPPLIES	2,334	3,100	3,100	3,500
5162	TRAINING	4,891	8,850	8,850	9,500
5166	TRAVEL AND BUSINESS	18,039	19,230	19,230	25,000
5168	UNIFORMS AND CLOTHING	1,000	0	0	0
5180	ELECTIONS	<u>1,199</u>	<u>6,000</u>	<u>6,000</u>	<u>9,000</u>
TOTAL OPERATING EXPENSE		<u>\$49,230</u>	<u>\$74,780</u>	<u>\$74,780</u>	<u>\$85,200</u>
TOTAL COUNCIL		<u>\$310,369</u>	<u>\$374,840</u>	<u>\$374,840</u>	<u>\$394,340</u>

ACCOUNT 5101

LEGISLATIVE

ACCOUNT NARRATIVE

This account consists of two (2) employees: a City Clerk/Personnel Director and a Management Services Secretary. The account also budgets salaries and other expenses related to the City’s seven (7) elected officials, a Mayor and six (6) Councilmembers. All legislative powers and determinations of policy matters are vested in City council. City Council and the Mayor have the authority to appoint all committees, boards and commissions, such as trustees of Firemen’s Insurance and Inspection Funds. City Council is responsible for providing, by ordinance, for the election of its members and appoints three members to serve as municipal election commissioners to conduct elections.

The City of Union operates under the Mayor-Council form of government which provides that all executive and administrative duties lies with the office of the Mayor. The Mayor oversees all City departments and employees and executes the policies and objectives provided by City Council.

The City Clerk/Personnel Director serves as clerk to council, attends all Council meetings and records the minutes of the meetings. The Clerk/Personnel Director, at the direction of the Mayor, compiles the agenda for Council meetings and distributes it to Council, Department Heads, and the news media. She also assists the Municipal Judge with Municipal Court, maintains the City court records for jury trials, prepares the jury box, summons the jurors, and handles other court correspondence as needed.

The City Clerk/Personnel Director oversees the operation of the Personnel Department and Safety Management for the City of Union. She works closely with the Mayor handling complaints, acts as Chairman of the City’s Safety Committee, serves on the City’s Advisory Committee, and is responsible for transmittal of forms for all insurance, workmen’s compensation and other personnel matters.

The Management Services Secretary assists with typing, filing and message coordination for this account, assists the Mayor and Finance Director in preparation of the Budget, and serves as Assistant to the Mayor.

Funding Sources:	\$157,740	- General Fund
	197,170	- Utility Fund
	39,430	- Solid Waste Management

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
City Clerk/Personnel Director	1
Mayor	1
Councilmembers	6
Management Services Secretary	<u>1</u>
Total	9

ACCONT ANALYSIS

This budget represents the same level of service as the FY2007 Budget. This budget continues to evolve with the implementation of the “Strong Mayor” form of government and the combining of the Clerk/Personnel Director position.

DEPT: GENERAL GOVERNMENT

DIVISION : CITY COURT - #5103

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY, REGULAR	\$19,105	\$19,180	\$19,180	\$19,760
5011	INSURANCE-MED/LIFE	3,512	3,410	3,410	3,420
5012	RETIREMENT	1,770	1,570	1,570	1,820
5013	SOCIAL SECURITY	1,331	1,470	1,470	1,520
5014	WORKER'S COMPENSATION	348	430	430	270
5015	CHRISTMAS BONUS	<u>50</u>	<u>80</u>	<u>80</u>	<u>80</u>
TOTAL PERSONNEL EXPENSE		<u>\$26,116</u>	<u>\$26,140</u>	<u>\$26,140</u>	<u>\$26,870</u>
5110	ADVERTISING	\$0	\$100	\$100	\$0
5117	COMMUNICATIONS & POSTAGE	37	950	950	950
5138	MEMBERSHIPS/SUBSCRIPTS	204	300	300	300
5139	EQUIPMENT LEASE	456	720	720	440
5144	TOOLS AND EQUIPMENT	237	0	0	0
5145	PRINTING & OFFICE SUPPLIES	56	2,000	2,000	2,000
5147	PROFESSIONAL SERVICES (JURY PAY)	2,835	6,000	6,000	6,000
5159	SPECIALIZED DEPT SUPPLIES	0	200	200	0
5162	TRAINING	250	1,200	1,200	1,200
5166	TRAVEL & BUSINESS	<u>1,548</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
TOTAL OPERATING EXPENSE		<u>\$5,623</u>	<u>\$13,470</u>	<u>\$13,470</u>	<u>\$12,890</u>
TOTAL CITY COURT		<u>\$31,739</u>	<u>\$39,610</u>	<u>\$39,610</u>	<u>\$39,760</u>

ACCOUNT 5103 CITY COURT

ACCOUNT NARRATIVE

This account consists of one (1) employee: a Municipal Judge.

The Municipal Judge holds court each Monday and Thursday throughout the year, in addition to the scheduling of Municipal Court or individual trials, or both, at his discretion. The Municipal Judge disposes of approximately 2,075 cases per year, either through bond forfeiture or trial. The Municipal Judge also sets bond for cases brought to Municipal Court and those sent to General Sessions Court.

The Municipal Clerk assists the Municipal Judge with Municipal Court, maintains the City court records of jury trials, prepares the jury box, summons the jurors, and handles other court correspondence as needed. The Records Clerk of the PSO Department provides for the transfer of funds to the Finance Department.

Funding Source: \$39,760 - General Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Municipal Judge	1

ACCOUNT ANALYSIS

This budget represents the same level of service as the FY2007 Budget.

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY, REGULAR	\$40,000	\$41,200	\$41,200	\$42,440
5011	INSURANCE-MED/LIFE	7,813	7,550	7,550	7,550
5012	RETIREMENT	3,080	3,380	3,380	3,910
5013	SOCIAL SECURITY	2,692	3,150	3,150	3,250
5014	WORKER'S COMPENSATION	575	910	910	650
5015	CHRISTMAS BONUS	<u>50</u>	<u>50</u>	<u>50</u>	<u>80</u>
TOTAL PERSONNEL EXPENSE		<u>\$54,210</u>	<u>\$56,240</u>	<u>\$56,240</u>	<u>\$57,880</u>
5147	PROFESSIONAL SERVICES	\$39,217	\$20,000	\$20,000	\$20,000
5166	TRAVEL AND BUSINESS	<u>558</u>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
TOTAL OPERATING EXPENSE		<u>\$39,775</u>	<u>\$21,000</u>	<u>\$21,000</u>	<u>\$22,000</u>
TOTAL CITY ATTORNEY		<u>\$93,985</u>	<u>\$77,240</u>	<u>\$77,240</u>	<u>\$79,880</u>

ACCOUNT 5104 ATTORNEY

ACCOUNT NARRATIVE

The City Attorney performs a variety of important functions in the City. He provides legal advice to the Mayor, City Council and City Staff, and represents the City in all legal matters.

As City Attorney, he represents the City in all civil action brought by or against the City. The City Attorney attends all City Council Meetings and provides legal advice to the Mayor and City Council resulting from a citizen complaint or items of concern on the Council agenda. He reviews and negotiates contracts, leases, agreements and other legal documents. Beginning FY2006 the City Attorney began prosecuting all City cases.

Funding Sources:	\$31,950	-	General Fund
	\$39,940	-	Utility Fund
	\$ 7,990	-	Solid Waste Management

Detail of Personnel Services

<u>Position</u>		<u>No.</u>
Attorney		1

ACCOUNT ANALYSIS

The City Attorney will be compensated as a salaried employee and receive retirement and insurance benefits. Funding is also appropriated for any outside attorney expenditure that may require an attorney specialized in a certain field.

DEPT: CITY FACILITIES - MAINTENANCE #5111

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5114	BUILDING MAINTENANCE	139,839	50,000	50,000	50,000
5151	YMCA FACILITIES MAINTENANCE	96,944	25,000	25,000	30,000
5159	SPECIALIZED DEPT. SUP.	2,427	3,600	3,600	4,000
5170	UTILITIES	<u>26,669</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
TOTAL OPERATING EXPENSE		<u>\$265,879</u>	<u>\$108,600</u>	<u>\$108,600</u>	<u>\$114,000</u>
5330	OTHER EQUIPMENT	\$2,623	\$10,000	\$10,000	\$10,000
TOTAL CAPITAL EXPENSE		<u>\$2,623</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
TOTAL		<u>\$268,502</u>	<u>\$118,600</u>	<u>\$118,600</u>	<u>\$124,000</u>

ACCOUNT 5111 CITY FACILITIES-MAINTENANCE

ACCOUNT ANALYSIS

This account consists of expenditures for the maintenance and utilities for City-owned facilities.

Funding Sources:	\$77,000-	General Fund
	\$37,600	- Utility Fund
	\$9,400 -	Solid Waste Management

ACCOUNT ANALYSIS

This budget represents the same level of service as the FY2007 Budget. The budget also includes funds for repairs to the YMCA.

**FISCAL YEAR 2008
SUMMARY OF EXPENDITURES
PUBLIC SAFETY DEPARTMENT**

<u>CLASSIFICATION</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
PUBLIC SAFETY	\$2,586,763	\$2,847,350	\$2,847,350	\$2,918,610
TOTAL EXPENDITURES:	<u>\$2,586,763</u>	<u>\$2,847,350</u>	<u>\$2,847,350</u>	<u>\$2,918,610</u>

This is the total dollar amount expended in order to accomplish the levels of service and goals of this Department.

**FISCAL YEAR 2008
REGULAR EMPLOYEES
PUBLIC SAFETY DEPARTMENT**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
PUBLIC SAFETY DIRECTOR	1	1	1	1	1	1
MAJOR	1	0	0	0	0	0
CAPTAIN	1	1	1	2	2	2
LIEUTENANTS	2	3	3	3	3	3
PATROL COMMAND SERGEANT	0	0	1	0	0	0
INVESTIGATOR I	0	2	3	1	1	1
INVESTIGATOR II	0	0	0	2	2	2
SERGEANTS	6	4	4	4	4	4
CORPORALS	6	6	4	4	4	4
COMMUNITY POL. OFFICER	0	1	0	0	0	0
PUBLIC SAFETY OFFICERS	13	12	11	12	12	12
SRO'S	6	4	4	4	4	4
ENGINEER	1	1	0	0	0	0
SPECIAL ENF. OFFICER	1	1	1	1	0	0
RECORDS CLERKS	2	2	2	2	2	2
ANIMAL CONTROL - PART-TIME					1	2 (1)
PART-TIME OFFICERS -	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
TOTAL	42	40	37	38	38	39

(1) The Animal Control position was changed to part-time creating two (2) positions.

DEPT: PUBLIC SAFETY - #5120

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$1,341,990	\$1,430,950	\$1,430,950	\$1,472,340
5002	SALARY,OVERTIME	116,324	100,000	100,000	100,000
5003	SALARY-POLICE EXTRA ACTIVITY	27,996	0	0	0
5004	LONGEVITY BONUS	34,258	37,420	37,420	40,630
5011	INSURANCE-MED./LIFE	185,472	186,740	186,740	187,200
5012	RETIREMENT	159,249	172,240	172,240	175,810
5013	SOCIAL SECURITY	108,732	121,120	121,120	124,560
5014	WORKER'S COMPENSATION	48,845	68,720	68,720	73,040
5015	CHRISTMAS BONUS	1,900	2,050	2,050	2,000
TOTAL PERSONNEL EXPENSE		\$2,024,766	\$2,119,240	\$2,119,240	\$2,175,580
5110	ADVERTISING	\$291	\$500	\$500	\$500
5111	ALLOWANCES	39,029	49,900	49,900	49,000
5114	FACILITY MAINTENANCE	11,171	20,000	20,000	32,250
5116	CHEMICALS	1,850	2,500	2,500	2,000
5117	COMMUNICATIONS	5,721	8,000	8,000	18,950
5135	MACHINE/EQUIPMENT REPAIRS	2,498	2,700	2,700	2,700
5136	MAINTENANCE CONTRACTS	7,399	9,000	9,000	9,000
5138	MEMBERSHIPS/SUBSCRIPTIONS	2,135	3,000	3,000	3,000
5139	EQUIPMENT LEASE	9,277	11,520	11,520	9,360
5142	INTEREST EXPENSE	7,365	0	0	0
5144	TOOLS AND EQUIPMENT	69,317	78,100	78,100	74,300
5145	PRINTING/OFFICE SUPPLIES	5,065	6,000	6,000	6,000
5147	PROFESSIONAL SERVICES	4,736	8,000	8,000	8,000
5158	SPECIAL CONTRACTS	54,959	65,000	65,000	75,000
5159	SPECIALIZED DEPT. SUPPLIES	17,661	25,000	25,000	25,000
5162	TRAINING	9,681	10,000	10,000	10,000
5166	TRAVEL & BUSINESS	6,749	8,500	8,500	8,500
5168	UNIFORMS & CLOTHING	31,294	40,000	40,000	35,000
5170	UTILITIES	25,638	30,000	30,000	30,000
5171	FUEL	57,535	66,000	66,000	66,000
5172	VEHICLE OPER.& MAINTENANCE	34,640	32,000	32,000	35,000
5174	SPECIAL DRUG PROGRAM	3,843	8,500	8,500	8,500
TOTAL OPERATING EXPENSE		\$407,854	\$484,220	\$484,220	\$508,060
5325	MOTOR VEHICLES	84,321	111,150	111,150	110,650
5330	OTHER EQUIPMENT	8,000	19,800	19,800	0
TOTAL CAPITAL EXPENSE		\$92,321	\$130,950	\$130,950	\$110,650
5409	DEBT SERVICE	\$17,344	\$60,000	\$60,000	\$60,000
6000	ALLOCATIONS - VEHICLE MAINT.	\$44,478	\$52,940	\$52,940	\$64,320
TOTAL PUBLIC SAFETY		\$2,586,763	\$2,847,350	\$2,847,350	\$2,918,610

ACCOUNT 5120 PUBLIC SAFETY

ACCOUNT NARRATIVE

This account consists of thirty-seven (38) employees of which two (2) are part-time, with responsibilities as follows: (1) Director of Public Safety, who oversees the operation of Law Enforcement and Fire-Fighting, (2) Captains, in charge of the detective division, and (3) Lieutenants. This account covers (1) Investigator I, (2) Investigator II's, (4) Sergeants, (4) Corporals, (2) Part-Time Animal Control Officers, (2) Clerks, (2) Part-time Officers, (4) School Resource Officers/COPS in School, and (12) Public Safety Officers.

All Public Safety Officers have been crossed-trained in law enforcement and firefighting.

One (1) part-time officer is assigned to duty on Main Street. This officer carries a walkie-talkie and if the need arises, additional help can be summoned.

Funding Source: \$2,918,610 - General Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Director of Public Safety	1
Captain	2
Lieutenants	3
Patrol Command Sergeant	0
Investigator I's	1
Investigator II's	2
Sergeants	4
Corporals	4
Public Safety Officers	12
School Resource Officers/COPS in School	4
Animal Control Officers – Part-time	2
Records Clerks	2
Part-time Officers	<u>2</u>
TOTAL	39

**FISCAL YEAR 2008
SUMMARY OF EXPENDITURES
PUBLIC SERVICE DEPARTMENT**

<u>CLASSIFICATION</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
STREET DEPARTMENT	\$359,747	\$584,240	\$584,240	\$562,440
SOLID WASTE MANAGEMENT	<u>750,893</u>	<u>842,220</u>	<u>842,220</u>	<u>837,030</u>
 TOTAL EXPENDITURES	<u>\$1,110,640</u>	<u>\$1,426,460</u>	<u>\$1,426,460</u>	<u>\$1,399,470</u>

This is the total dollar amount expended in order to accomplish the levels of service and goals of this Department .
The money to accomplish this function comes from more than one fund source.

**FISCAL YEAR 2008
REGULAR EMPLOYEES
PUBLIC SERVICE EMPLOYEES**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
PUBLIC SERVICE ADMINISTRATION	4	4	3	3	3	3
STREET	7	7	7	6	6*	6
SOLID WASTE MANAGEMENT	8	8	7	7	7	6
TEMPORARY EMPLOYEES	<u>2(1)</u>	<u>2(1)</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	21	21	18	16	16	15

* Temporary employees are utilized during the summer months for park landscape maintenance.

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$196,561	\$230,260	\$230,260	\$236,810
5002	SALARY,OVERTIME	9,090	11,000	11,000	11,000
5004	LONGEVITY BONUS	4,128	5,920	5,920	7,410
5011	INSURANCE-MED./LIFE/BUY BACK	35,412	33,180	33,180	33,260
5012	RETIREMENT	15,876	20,770	20,770	23,930
5013	SOCIAL SECURITY	14,884	19,100	19,100	19,730
5014	WORKER'S COMPENSATION	8,621	11,280	11,280	16,780
5015	CHRISTMAS BONUS	325	380	380	380
TOTAL PERSONNEL EXPENSE		<u>\$284,897</u>	<u>\$331,890</u>	<u>\$331,890</u>	<u>\$349,300</u>
5110	ADVERTISING	0	250	250	250
5114	FACILITY MAINTENANCE	698	4,000	4,000	4,000
5116	CHEMICALS	4,308	4,000	4,000	4,000
5117	COMMUNICATIONS	41	1,200	1,200	1,200
5136	MAINTENANCE CONTRACTS	0	1,000	1,000	1,000
5139	EQUIPMENT LEASE	0	0	0	500
5144	TOOLS AND EQUIPMENT	4,172	7,000	7,000	7,000
5145	PRINTING/OFFICE SUPPLIES	448	500	500	500
5158	SPECIAL CONTRACTS	4,277	32,000	32,000	32,000
5159	SPECIALIZED DEPT. SUPPLIES	10,292	100,000	100,000	100,000
5162	TRAINING	0	500	500	500
5166	TRAVEL & BUSINESS	110	1,000	1,000	1,000
5168	UNIFORMS & CLOTHING	4,453	5,500	5,500	4,000
5170	UTILITIES	0	1,050	1,050	0
5171	FUEL	5,887	7,000	7,000	12,500
5172	VEHICLE OPER.& MAINTENANCE	12,828	15,000	15,000	15,000
TOTAL OPERATING EXPENSE		<u>\$47,514</u>	<u>\$180,000</u>	<u>\$180,000</u>	<u>\$183,450</u>
5330	OTHER EQUIPMENT	0	30,000	30,000	0
TOTAL CAPITAL EXPENSE		<u>\$0</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$0</u>
6000	ALLOCATIONS - VEHICLE MAINT.	\$27,336	\$42,350	\$42,350	\$29,690
TOTAL PUBLIC SERVICE - STREET		<u>\$359,747</u>	<u>\$584,240</u>	<u>\$584,240</u>	<u>\$562,440</u>

ACCOUNT 5130 PUBLIC SERVICE (STREET DEPARTMENT)

ACCOUNT NARRATIVE

This account is responsible for the maintenance and repair of the streets, roadside ditches, city parks, storm drains, and sidewalks within the City limits. This department also is responsible for the enactment of services set forth by the City ordinances.

This department consists of seven (7) employees: (1) Supervisor and (6) Heavy Equipment Operators. The Public Service Director and Receptionist share their time between Street and Sanitation.

Funding Source: \$562,440 - General Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Public Service Supervisor	1
Heavy Equipment Operators	<u>6</u>
TOTAL	7

ACCOUNT ANALYSIS

This budget represents the same level of service as the FY2007 Budget.

DEPT: PUBLIC SERVICE

DIVISION: SOLID WASTE MANAGEMENT #5140

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$267,510	\$279,310	\$279,310	\$261,540
5002	SALARY,OVERTIME	9,995	10,000	10,000	10,000
5004	LONGEVITY BONUS	9,593	10,380	10,380	10,670
5011	INSURANCE-MED./LIFE/BUY BACK	39,094	42,460	42,460	38,840
5012	RETIREMENT	22,121	25,100	25,100	26,390
5013	SOCIAL SECURITY	20,420	23,170	23,170	21,820
5014	WORKER'S COMPENSATION	9,666	15,890	15,890	9,770
5015	CHRISTMAS BONUS	600	600	600	550
TOTAL PERSONNEL EXPENSE		<u>\$378,999</u>	<u>\$406,910</u>	<u>\$406,910</u>	<u>\$379,580</u>
5101	FRANCHISE FEE	\$33,396	\$30,000	\$30,000	\$36,200
5110	ADVERTISING	329	200	200	500
5122	ADMINISTRATIVE & GENERAL OVERHEAD	94,448	96,560	96,560	96,750
5138	MEMBERSHIPS/SUBSCRIPTIONS	122	200	200	200
5139	EQUIPMENT LEASE	167	0	0	200
5144	TOOLS AND EQUIPMENT	3,124	3,000	3,000	3,000
5145	PRINTING/OFFICE SUPPLIES	1,093	1,000	1,000	1,000
5158	SPECIAL CONTRACTS	95,744	100,000	100,000	110,000
5159	SPECIALIZED DEPT. SUPPLIES	11,121	15,000	15,000	15,000
5162	TRAINING	0	200	200	200
5166	TRAVEL & BUSINESS	154	800	800	800
5168	UNIFORMS & CLOTHING	4,029	4,000	4,000	4,000
5170	UTILITIES	1,596	4,000	4,000	2,000
5171	FUEL	30,793	31,000	31,000	32,000
5172	VEHICLE OPER.& MAINTENANCE	33,341	25,000	25,000	25,000
TOTAL OPERATING EXPENSE		<u>\$309,457</u>	<u>\$310,960</u>	<u>\$310,960</u>	<u>\$326,850</u>
5330	OTHER	1,230	15,000	15,000	25,000
TOTAL CAPITAL EXPENSE		<u>\$1,230</u>	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$25,000</u>
5409	DEBT SERVICE	\$25,625	\$67,000	\$67,000	\$67,000
UNION COUNTY TIPPING FEE		\$0	\$0	\$0	\$1,500
6000	ALLOCATIONS - VEHICLE MAINT.	<u>\$35,582</u>	<u>\$42,350</u>	<u>\$42,350</u>	<u>\$37,100</u>
TOTAL PUBLIC SERVICE-SANITATION		<u>\$750,893</u>	<u>\$842,220</u>	<u>\$842,220</u>	<u>\$837,030</u>

ACCOUNT 5140 PUBLIC SERVICE (SOLID WASTE MANAGEMENT FUND)

ACCOUNT NARRATIVE

This account is tasked with the responsibility of collection of solid waste as specified by City ordinance.

This department consists of eight (8) employees: (4) Light Equipment Operators, and (2) Solid Waste Collectors. The Public Service Director and Receptionist share their time between Street and Sanitation.

Funding Sources:	\$130,000	-	General Fund
	\$733,000	-	Solid Waste Management

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Public Service Director	1
Public Service Receptionist	1
Light Equipment Operators	4
Solid Waste Collectors	<u>2</u>
TOTAL	8

ACCOUNT ANALYSIS

The budget represents the same level of service as the FY2007 Budget. This budget reduces another position, due mainly to the modernization of equipment.

**FISCAL YEAR 2008
SUMMARY OF EXPENDITURES
BUILDING & ZONING DEPARTMENT**

<u>CLASSIFICATION</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
BLDG & ZONING	\$207,354	\$219,890	\$237,000	\$315,130
TOTAL EXPENDITURES:	<u>\$207,354</u>	<u>\$219,890</u>	<u>\$237,000</u>	<u>\$315,130</u>

This is the total dollar amount expended in order to accomplish the levels of service and goals of this Department.

**FISCAL YEAR 2008
REGULAR EMPLOYEES
BUILDING & ZONING DEPARTMENT**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
BUILDING/ZONING OFFICIAL	1	1	1	1	1	1
PROPERTY MAINTENANCE INSPECTOR	1	1	1	1	1	1
BUILDING/ZONING COORDINATOR	1	1	1	1	1	1
BUSINESS LICENSE COORDINATOR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1*</u>
TOTAL	3	3	3	3	3	4

*The Business Licence Division of the Finance Department was moved to the Building Department during FY 2007.

DEPT: BUILDING & ZONING - #5150

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$110,739	\$119,270	\$132,290	\$154,550
5002	SALARY, OVERTIME	86	1,000	1,000	1,000
5004	LONGEVITY BONUS	1,930	3,830	3,830	5,780
5011	INSURANCE-MED./LIFE	13,836	14,690	16,740	19,840
5012	RETIREMENT	9,286	10,320	11,370	15,040
5013	SOCIAL SECURITY	8,105	9,600	10,600	12,480
5014	WORKER'S COMPENSATION	1,232	2,390	2,390	2,630
5015	CHRISTMAS BONUS	150	150	150	300
TOTAL PERSONNEL EXPENSE		<u>\$145,364</u>	<u>\$161,250</u>	<u>\$178,370</u>	<u>\$211,620</u>
5110	ADVERTISING	\$1,031	\$1,300	\$1,300	\$1,630
5117	COMMUNICATIONS	\$0	\$0	\$0	\$1,600
5136	MAINTENANCE CONTRACTS	1,926	2,200	2,200	2,200
5138	MEMBERSHIPS/SUBSCRIPTIONS	1,729	1,500	1,500	1,500
5139	EQUIPMENT LEASE	1,280	3,500	3,500	3,500
5144	TOOLS AND EQUIPMENT	1,875	1,500	1,500	1,500
5145	PRINTING/OFFICE SUPPLIES	911	1,500	1,500	1,500
5147	PROFESSIONAL SERVICE	43,211	32,000	32,000	45,000
5159	SPECIALIZED DEPT. SUPPLIES	637	1,500	1,500	1,500
5162	TRAINING	590	4,500	4,500	6,200
5166	TRAVEL & BUSINESS	883	2,500	2,500	2,500
5168	UNIFORMS & CLOTHING	1,892	2,000	2,000	2,500
5171	FUEL	1,856	1,500	1,500	2,000
5172	VEHICLE OPER.& MAINTENANCE	369	500	500	1,000
TOTAL OPERATING EXPENSE		<u>\$58,190</u>	<u>\$56,000</u>	<u>\$56,000</u>	<u>\$74,130</u>
5325	MOTOR VEHICLES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26,900</u>
6000	ALLOCATION - VEHICLE MAINT.	<u>\$3,800</u>	<u>\$2,640</u>	<u>\$2,640</u>	<u>\$2,480</u>
TOTAL BUILDING/ZONING		<u>\$207,354</u>	<u>\$219,890</u>	<u>\$237,010</u>	<u>\$315,130</u>

ACCOUNT 5150 BUILDING & ZONING

ACCOUNT NARRATIVE

This account is responsible for the overall planning, development, administration and enforcement of the following City of Union governmental functions: building codes, zoning & planning, grants, and business license. The account consists of four (4) employees: Building Official, Zoning Coordinator, Property Maintenance Inspector, and the Business License Coordinator.

The **Building Official & Zoning Administrator** reports directly to the Mayor. He is responsible for the establishment, administration, oversight and enforcement of the functions of the Building & Zoning Department to include but not limited to building codes, planning & zoning, grants, business license and special projects and duties as assigned by the Mayor.

The **Zoning Coordinator** reports to the Building Official. Her duties include issuing permits, zoning assistance, secretarial services, and other duties assigned by the Building Official and Zoning Administrator. She is responsible for handling office activities and assisting the Property Maintenance Inspector. She provides secretarial services for the Building & Zoning Department, Planning Commission, and all Boards of Appeals. She conducts other duties and activities as assigned by the Building Official.

The **Property Maintenance Inspector** reports to the Building Official. He is responsible for the enforcement of the City of Union Nuisance Ordinance and the International Property Maintenance Code. He is responsible for the condemnation of dwellings, and handles public nuisance complaints. He is responsible for assisting the Business License Coordinator with the enforcement of the City of Union Business License Ordinance and other duties as assigned by the Building Official.

The **Business License Coordinator** reports to the Building Official. Her duties include enforcing the Business License Ordinance and assisting the Zoning Coordinator with office duties and/or building permit activities. She maintains the City of Union business license database and archives. She conducts other activities and duties as assigned by the Building Official.

Funding Sources: General Fund

Detail of Personnel Services

<u>Position</u>	<u>Number</u>
Building Official & Zoning Administrator	1
Zoning Coordinator	1
Business License Coordinator	1
Property Maintenance Inspector	<u>1</u>
Total	4

ACCOUNT ANALYSIS

This Budget provides for an increase in the level of service due to the Business License Department becoming part of the Building & Zoning Department. A new vehicle is included in this budget to facilitate and enable the Business License Coordinator to conduct onsite audits of businesses. Additionally, this budget provides for the members of the City of Union Zoning Board of Appeals to be allocated a stipend equal to and the same as the stipend already being allocated to the members of the City of Union Planning Commission.

**FISCAL YEAR 2008
SUMMARY OF EXPENDITURES
FINANCE DEPARTMENT**

<u>CLASSIFICATION</u>	<u>FY2007 BUDGETED</u>	<u>FY 2007 ESTIMATED</u>	<u>FY 2008 ADOPTED</u>
ACCOUNTING	\$323,110	\$323,110	\$346,750
TAX	\$116,530	\$ 99,420	\$ 69,670
UTILITY BILLING	<u>\$607,560</u>	<u>\$607,560</u>	<u>\$642,750</u>
TOTAL EXPENDITURES	\$1,047,200	\$1,030,090	\$1,059,170

This is the total dollar amount expended in order to accomplish the levels of service and goals of this Department. The money to accomplish this function has come from more than one fund source. Also, due to reorganization, the Business License Division of the Finance Department has been moved to Building and Zoning.

**FISCAL YEAR 2008
REGULAR EMPLOYEES
FINANCE DEPARTMENT**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
ACCOUNTING	4	4	4	4	4	4
TAX & LICENSE	2	2	2	2	2	1*
UTILITY BILLING	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
TOTAL	17	17	17	17	17	16

* Business License Coordinator transferred to Building and Zoning due to reorganization.

DEPT: FINANCE - #5229

DIVISION: ACCOUNTING

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$168,330	\$168,330	\$173,320
5002	SALARY,OVERTIME	4,000	4,000	4,000
5004	LONGEVITY BONUS	6,000	6,000	6,270
5011	INSURANCE-MED./LIFE/BUY BACK	12,880	12,880	12,940
5012	RETIREMENT	14,620	14,620	16,910
5013	SOCIAL SECURITY	13,790	13,790	14,200
5014	WORKER'S COMPENSATION	2,280	2,280	3,670
5015	CHRISTMAS BONUS	200	200	230
TOTAL PERSONNEL EXPENSE		<u>\$222,100</u>	<u>\$222,100</u>	<u>\$231,540</u>
5117	COMMUNICATIONS	20,000	20,000	16,200
5136	MAINTENANCE CONTRACTS	5,300	5,300	5,300
5138	MEMBERSHIPS/SUBSCRIPTIONS	2,000	2,000	2,000
5139	EQUIPMENT LEASE	14,400	14,400	10,400
5144	TOOLS AND EQUIPMENT	4,000	4,000	24,000
5145	PRINTING/OFFICE SUPPLIES	10,500	10,500	10,500
5147	PROFESSIONAL SERVICE	8,000	8,000	8,000
5148	AUDITING & GENERAL CONSULTING	30,000	30,000	32,000
5162	TRAINING	1,700	1,700	1,700
5166	TRAVEL & BUSINESS	5,110	5,110	5,110
TOTAL OPERATING EXPENSE		<u>\$101,010</u>	<u>\$101,010</u>	<u>\$115,210</u>
TOTAL FINANCE-ACCOUNTING		<u>\$323,110</u>	<u>\$323,110</u>	<u>\$346,750</u>

ACCOUNT: 5229 ACCOUNTING

ACCOUNT NARRATIVE

The primary function of this account is to provide for the timely and accurate accounting of all City Funds and to prepare and publish the Comprehensive Annual Financial Report. This division consists of (4) four employees: a Finance Director, Accountant, and two (2) Accounting Clerks. The Finance Director oversees the activity of the Finance Department which includes the Accounting Division, Tax/License Division, and Utility Billing Division. The Finance Director within the Accounting Division oversees all disbursements and investments, reviews monthly financial statements, coordinates preparation and publication of the Comprehensive Annual Financial Report and the annual budget, and ensures that proper accounting/financial records are maintained.

The Accountant is responsible for accurate tabulation of the monthly financial reports and all financial data summarized within the monthly financial reports.

The Payroll Coordinator processes and maintains all City payroll. This position works with the Personnel Director to maintain health insurance, retirement and employee status.

The Accounts Payable Coordinator processes all checks, and is responsible for all accounts payable work, including compiling and verifying invoices, posting all vendor checks, and ensuring that invoices get charged to the proper fund, department, and object code.

Funding Sources:	\$306,750	-	Utility Fund
	\$ 35,000	-	General Fund
	\$ 5,000	-	Solid Waste Management

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Finance Director	1
Accountant	1
Payroll Coordinator	1
Accounts Payable Coordinator	<u>1</u>
TOTAL	4

ACCOUNT ANALYSIS

This division is included in the overall budget of the Utility Department.

DEPT: FINANCE

DIVISION: TAX & LICENSE - #5107

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2006 ACTUAL</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$61,405	\$64,020	\$51,000	\$33,710
5002	SALARY,OVERTIME	1,308	1,500	1,500	1,500
5004	LONGEVITY BONUS	3,530	3,640	3,640	1,920
5011	INSURANCE-MED./LIFE/BUY BACK	7,190	5,650	3,602	570
5012	RETIREMENT	5,104	5,690	4,642	3,440
5013	SOCIAL SECURITY	4,893	5,350	4,354	2,870
5014	WORKER'S COMPENSATION	0	1,400	1,400	590
5015	CHRISTMAS BONUS	175	200	200	100
TOTAL PERSONNEL EXPENSE		<u>\$83,605</u>	<u>\$87,450</u>	<u>\$70,338</u>	<u>\$44,700</u>
5110	ADVERTISING	\$1,398	\$2,500	\$2,500	\$2,500
5136	MAINTENANCE CONTRACTS	4,919	6,100	6,100	5,230
5138	MEMBERSHIPS/SUBSCRIPTIONS	311	300	300	220
5139	EQUIPMENT LEASE	2,790	2,160	2,160	520
5144	TOOLS AND EQUIPMENT	958	0	0	0
5145	PRINTING/OFFICE SUPPLIES	891	1,500	1,500	1,500
5147	PROFESSIONAL SERVICES	664	0	0	0
5159	SPECIALIZED DEPT. SUPPLIES	13,640	15,000	15,000	14,000
5162	TRAINING	245	520	520	500
5166	TRAVEL & BUSINESS	650	1,000	1,000	500
TOTAL OPERATING EXPENSE		<u>\$26,466</u>	<u>\$29,080</u>	<u>\$29,080</u>	<u>\$24,970</u>
TOTAL TAX & LICENSE		<u>\$110,071</u>	<u>\$116,530</u>	<u>\$99,418</u>	<u>\$69,670</u>

ACCOUNT: 5107 TAX/LICENSE DEPARTMENT

ACCOUNT NARRATIVE

The primary functions of this division are to provide for the timely and accurate collection of all General Fund Revenues other than Utility Billing. This division utilizes one (1) employee: the Tax Coordinator. The Tax Coordinator is responsible for the collection and administration of approximately 5,200 real estate and personal property taxes.

The Tax Coordinator also assists in the collection of Utility Billing.

Funding Source: \$69,670 - General Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Tax Coordinator	<u>1</u>
TOTAL	1

ACCOUNT ANALYSIS

This budget represents the same level of service as the FY2007 Budget.

DEPT: FINANCE - #5230

DIVISION: UTILITY BILLING

LINE	LINE ITEM	FY2007 BUDGETED	FY2007 ESTIMATED	FY2008 ADOPTED
5001	SALARY,REGULAR	\$338,210	\$338,210	\$348,270
5002	SALARY,OVERTIME	8,000	8,000	8,000
5004	LONGEVITY BONUS	11,490	11,490	13,000
5011	INSURANCE-MED./LIFE/BUY BACK	39,860	39,860	40,000
5012	RETIREMENT	29,370	29,370	34,070
5013	SOCIAL SECURITY	27,630	27,630	28,530
5014	WORKER'S COMPENSATION	10,850	10,850	10,270
5015	CHRISTMAS BONUS	650	650	800
TOTAL PERSONNEL EXPENSE		\$466,060	\$466,060	\$482,940
5117	COMMUNICATIONS	\$61,000	\$61,000	\$60,000
5136	MAINTENANCE CONTRACT - ITRON SUPPORT	10,000	10,000	10,000
5138	MEMBERSHIPS/SUBSCRIPTIONS	400	400	400
5139	EQUIPMENT LEASE	4,200	4,200	3,210
5144	TOOLS AND EQUIPMENT	5,000	5,000	3,000
5145	PRINTING/OFFICE SUPPLIES	10,000	10,000	21,000
5147	PROFESSIONAL SERVICES	5,000	5,000	10,000
5162	TRAINING	500	500	700
5166	TRAVEL AND BUSINESS	1,200	1,200	1,500
5168	UNIFORMS & CLOTHING	3,500	3,500	3,500
5171	FUEL	8,000	8,000	8,000
5172	VEHICLE OPERATIONS & MAINT.	2,500	2,500	2,500
5177	HEATING ASSISTANCE	20,000	20,000	20,000
TOTAL OPERATING EXPENSE		\$131,300	\$131,300	\$143,810
5330	OTHER EQUIPMENT	\$10,200	\$10,200	\$16,000
TOTAL CAPITAL EXPENSE		\$10,200	\$10,200	\$16,000
TOTAL UTILITY BILLING		\$607,560	\$607,560	\$642,750

ACCOUNT: 5230 UTILITY BILLING

ACCOUNT NARRATIVE

The primary function of this division is to provide for the timely and accurate billing and collection of all Utility Accounts. This division consists of eleven (11) employees: one (1) Senior Meter Reader, four (4) Meter Readers, one (1) Customer Service Rep, four (4) Account Clerks, and one (1) Utility Billing Coordinator.

The Account Clerks assume the clerical functions of the Utility Billing Division which include receipting, balancing, filing and posting of all utility payments. They also assist in the establishing of all new utility accounts.

The Senior Meter Reader is responsible for the supervision of the meter reading division and under general supervision, reads, turns on or turns off electric, gas, or water service, as well as assisting customers with problems concerning their meters.

The Meter Readers are responsible for the timely and accurate reading of over 21,650 meters including water, electric, and gas.

Funding Source: \$642,750 - Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Senior Meter Reader	1
Meter Readers	4
Account Clerks	4
Customer Service Rep.	1
Utility Billing Coordinator	<u>1</u>
TOTAL	11

ACCOUNT ANALYSIS

This division is included in the overall budget of the Utility Department.

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**FISCAL YEAR 2008
REGULAR EMPLOYEES
VEHICLE MAINTENANCE**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
MAINTENANCE DIRECTOR	1	1	1	1	1	1
MECHANIC III	1	1	1	1	1	1
MECHANIC II	1	1	1	1	1	1
UTILITY WORKER II	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	4	4	4	4	4	4

VEHICLE MAINTENANCE - #5228

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGET</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$152,600	\$152,600	\$157,190
5004	LONGEVITY BONUS	8,510	8,510	8,770
5011	INSURANCE-MED./LIFE/BUY BACK	19,540	19,540	19,600
5012	RETIREMENT	13,360	13,360	15,450
5013	SOCIAL SECURITY	12,460	12,460	12,840
5014	WORKER'S COMPENSATION	5,780	5,780	5,900
5015	CHRISTMAS BONUS	<u>300</u>	<u>300</u>	<u>300</u>
TOTAL PERSONNEL EXPENSE		<u>\$212,550</u>	<u>\$212,550</u>	<u>\$220,050</u>
5114	BUILDING MAINTENANCE	\$700	\$700	\$700
5136	MAINTENANCE CONTRACT	2,530	2,530	2,530
5139	EQUIPMENT LEASE	0	0	500
5144	TOOLS AND EQUIPMENT	6,000	6,000	8,500
5145	PRINTING/OFFICE SUPPLIES	200	200	200
5159	SPECIALIZED DEPT. SUPPLIES	7,000	7,000	7,000
5162	TRAINING	1,500	1,500	1,500
5166	TRAVEL & BUSINESS	500	500	500
5168	UNIFORMS & CLOTHING	1,800	1,800	1,800
5170	UTILITIES	6,000	6,000	6,000
5171	FUEL	2,000	2,000	2,000
5172	VEHICLE OPER. & MAINTENANCE	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
TOTAL OPERATING EXPENSE		<u>\$30,230</u>	<u>\$30,230</u>	<u>\$33,230</u>
5325	MOTOR VEHICLES	\$19,400	\$19,400	\$0
5330	OTHER EQUIPMENT	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$0</u>
TOTAL CAPITAL EXPENSE		<u>\$21,900</u>	<u>\$21,900</u>	<u>\$0</u>
TOTAL VEHICLE MAINTENANCE		<u>\$264,680</u>	<u>\$264,680</u>	<u>\$253,280</u>

ACCOUNT 5228 VEHICLE MAINTENANCE

ACCOUNT NARRATIVE

This account has four (4) employees: Maintenance Director, Automotive Technician II and Automotive Technician III, and a Utility Worker.

This account maintains approximately 205 pieces of rolling stock and all other equipment, such as lawnmowers, generators, weed eaters, chainsaws, and pumps. This includes the equipment acquired from the Buffalo Water District and also the nine (9) vehicles we maintain for the Housing Authority.

Additionally, it conducts a preventive maintenance program on all vehicles at 3,000 mile intervals and performs daily minor and major repairs. It also does some fabrication work, fixes flats, and mounts and balances all new tires, as well as service calls. This account has personnel on standby for emergency repairs on weekends and holidays.

This account is also responsible for the ordering and maintaining inventory of parts and tires.

The Maintenance Director has completed the S.C. Safety Office Training Program. He is certified by the State as a CDL License Examiner and has trained, tested, and issued CDL Licenses. This program remains on a continued basis due to changes or additions in personnel.

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Maintenance Director	1
Auto Technician II	1
Auto Technician III	1
Utility Worker	<u>1</u>
TOTAL	4

ACCOUNT NARRATIVE

The expenditures of the account are allocated to the vehicle and maintenance account of each department that has vehicle and equipment maintained by this department.

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**FISCAL YEAR 2008
REGULAR EMPLOYEES
UTILITIES**

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
UTILITIES						
ADMINISTRATION	3	2	2	3	3	3
SUPPORT SERVICES	5	5	4	4	4	4
ELECTRIC	11	11	10	9	8	8
WATER	14	14	14	14	13.5	13.5
WASTEWATER	7	8	7	7	6.5	6.5
GAS	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>10</u>
TOTAL	49	49	45	45	44	45

DEPT: UTILITY ADMINISTRATION - #5231

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$167,530	\$167,530	\$174,450
5002	SALARY,OVERTIME	3,000	3,000	2,000
5004	LONGEVITY BONUS	670	670	700
5011	INSURANCE-MED./LIFE/BUY BACK	13,480	13,480	13,560
5012	RETIREMENT	14,120	14,120	16,410
5013	SOCIAL SECURITY	13,240	13,240	13,710
5014	WORKER'S COMPENSATION	2,580	2,580	2,950
5015	CHRISTMAS BONUS	100	100	100
TOTAL PERSONNEL EXPENSE		<u>\$214,720</u>	<u>\$214,720</u>	<u>\$223,880</u>
5101	MISCELLANEOUS	\$7,500	\$7,500	\$7,500
5110	ADVERTISING	2,000	2,000	2,000
5117	COMMUNICATIONS	2,500	2,500	10,500
5136	MAINTENANCE CONTRACTS & LEASES	5,500	5,500	5,500
5138	MEMBERSHIPS/SUBSCRIPTIONS	10,000	10,000	10,100
5139	EQUIPMENT LEASE	5,000	5,000	8,250
5144	TOOLS AND EQUIPMENT	5,000	5,000	9,000
5145	PRINTING/OFFICE SUPPLIES	5,600	5,600	4,000
5147	PROFESSIONAL SERVICE	25,000	25,000	25,000
5162	TRAINING	2,000	2,000	2,000
5164	COMPUTER SOFTWARE	1,500	1,500	2,000
5166	TRAVEL & BUSINESS	2,500	2,500	2,500
5168	UNIFORMS AND CLOTHING	600	600	600
5171	FUEL	2,000	2,000	1,200
5172	VEHICLE OPERATIONS & MAINT.	1,200	1,200	800
TOTAL OPERATING EXPENSE		<u>\$77,900</u>	<u>\$77,900</u>	<u>\$90,950</u>
5330	OTHER EQUIPMENT	75,000	75,000	75,000
TOTAL OPERATING EXPENSE		<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>
TOTAL UTILITY ADMINISTRATION		<u>\$367,620</u>	<u>\$367,620</u>	<u>\$389,830</u>

UTILITIES DEPARTMENT

UTILITIES ADMINISTRATION DIVISION

ACCOUNT NARRATIVE

This division consists of three (3) employees: a Utility Director, Administrative Assistant and a Mapping Technician.

The division provides administrative services for electric, water, wastewater and gas divisions. Services include general and specific system management, federal and state reporting, and mapping and systems information.

Total salaries, benefits and expenses of the division are allocated to operations expense in the electric, water, wastewater and gas divisions.

Funding Source: Utility Fund

DETAIL OF PERSONNEL SERVICES

<u>Position</u>	<u>No.</u>
Utilities Director	1
Administrative Assistant	1
Mapping Technician	<u>1</u>
TOTAL	3

DEPT: SUPPORT SERVICES #5233

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$173,180	\$173,180	\$182,700
5002	SALARY,OVERTIME	7,000	7,000	6,000
5004	LONGEVITY BONUS	9,900	9,900	10,290
5011	INSURANCE-MED./LIFE/BUY BACK	15,640	15,640	15,750
5012	RETIREMENT	15,750	15,750	18,520
5013	SOCIAL SECURITY	14,690	14,690	15,390
5014	WORKER'S COMPENSATION	7,090	7,090	1,340
5015	CHRISTMAS BONUS	300	300	330
TOTAL PERSONNEL EXPENSE		\$243,550	\$243,550	\$250,320
5114	FACILITY MAINTENANCE	5,000	5,000	5,000
5136	MAINTENANCE CONTRACT	0	0	800
5144	TOOLS AND EQUIPMENT	9,000	9,000	9,000
5149	REGULATORY FEES AND LICENSE	0	0	500
5158	SPECIAL CONTRACTS	30,000	30,000	30,000
5159	SPECIALIZED DEPT SUPPLIES	25,000	25,000	25,000
5162	TRAINING	500	500	500
5166	TRAVEL AND BUSINESS	1,000	1,000	1,000
5168	UNIFORMS AND CLOTHING	4,000	4,000	4,000
5170	UTILITIES	10,000	10,000	10,000
5171	FUEL	7,200	7,200	7,200
5172	VEHICLE OPERATIONS & MAINTENANCE	3,500	3,500	3,500
TOTAL OPERATING EXPENSE		\$95,200	\$95,200	\$96,500
5325	MOTOR VEHICLE	0	0	\$20,000
TOTAL- WAREHOUSE		\$338,750	\$338,750	\$366,820

UTILITIES DEPARTMENT

SUPPORT SERVICES DIVISION

ACCOUNT NARRATIVE

This division consists of four (4) employees: a Special Projects Coordinator, Maintenance Technician, Maintenance Worker, and a Service Locator.

The division provides purchasing technical and construction services for the City as a whole. Services include purchasing, inventory control, maintenance and calibration of all utilities' control equipment. The Special Projects Coordinator is also responsible for the City's electric and gas SCADA system.

Total salaries, benefits and expenses of the division are allocated to Operations Expense in the electric, water, wastewater and gas divisions. Also, the costs of any work performed by the Maintenance Worker, for other funds within the City, will be reimbursed to the Utility Fund.

Funding Sources: Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>	
Special Projects Coordinator	1	
Maintenance Technician		1
Warehouse Coordinator & Purchasing	1	
Service Locator	<u>1</u>	
TOTAL	4	

DEPT: UTILITIES DEPARTMENT

DIVISION: ELECTRIC

<u>LINE</u>	<u>LINE ITEM 032-005-5243</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$339,200	\$339,200	304,050
5002	SALARY,OVERTIME	44,000	44,000	40,000
5004	LONGEVITY BONUS	8,350	8,350	8,350
5011	INSURANCE-MED./LIFE	42,330	42,330	36,800
5012	RETIREMENT	32,520	32,520	34,110
5013	SOCIAL SECURITY	30,340	30,340	27,470
5014	WORKERS COMP	16,020	16,020	34,780
5015	CHRISTMAS BONUS	500	500	450

TOTAL PERSONNEL EXPENSE	\$513,260	\$513,260	\$486,010
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5109 POWER FOR RESALE	\$9,100,000	\$9,100,000	\$9,300,000
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5101	FEE IN LIEU OF TAXES	640,000	640,000	630,420
5114	FACILITY MAINTENANCE	5,000	5,000	5,000
5136	MAINTENANCE CONTRACT	18,500	18,500	130,000
5139	EQUIPMENT LEASE	3,500	3,500	3,500
5144	TOOLS AND EQUIPMENT	16,000	16,000	22,000
5147	PROFESSIONAL SERVICES	57,500	57,500	113,750
5149	REGULATORY FEES AND LICEN	5,000	5,000	5,000
5158	SPECIAL CONTRACTS	273,000	273,000	298,000
5159	SPECIALIZED DEPT. SUPPLIES	121,000	121,000	175,000
5162	TRAINING	10,000	10,000	10,000
5166	TRAVEL AND BUSINESS	3,000	3,000	3,000
5168	UNIFORMS AND CLOTHING	10,000	10,000	10,000
5170	UTILITIES	150,000	150,000	174,000
5171	FUEL	93,000	93,000	93,000
5172	VEHICLE OPERATIONS & MAINTENANCE	23,500	23,500	23,500

TOTAL OPERATING EXPENSE	\$1,429,000	\$1,429,000	\$1,696,170
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ALLOCATIONS

6000	VEHICLE MAINTENANCE	\$31,100	\$31,100	\$29,920
6001	FINANCE	232,620	232,620	247,380
6002	UTILITY ADMINISTRATION	91,910	91,910	97,450
6003	SUPPORT SERVICES	84,690	84,690	91,700
6004	GENERAL FUND	118,210	118,210	102,340

TOTAL ALLOCATIONS	\$558,530 *	\$558,530	\$568,790 *
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CAPITAL EXPENDITURES-032-005-5253

EQUIPMENT REPLACEMENT	\$5,000	\$5,000	175,000
CONSTRUCTION	740,000 **	740,000	810,000 **

TOTAL CAPITAL EXPENDITURES	\$745,000	\$745,000	\$985,000
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TOTAL ELECTRIC DIVISION BEFORE

DEBT SERVICE	\$12,345,790	\$12,345,790	\$13,035,970
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DEBT SERVICE	126,530	126,530	131,880
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TOTAL ELECTRIC DIVISION	\$12,472,320	\$12,472,320	\$13,167,850
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*ALLOCATIONS FOR ADMINISTRATION ARE SHOWN AS SEPARATE LINE ITEMS

**CAPITAL CONSTRUCTION REPRESENTS LINE AND SERVICE EXTENSION IMPROVEMENTS, INCLUDING IMPROVEMENTS PERFORMED BY THE CITY'S WORKFORCE. PERSONNEL COSTS ARE INCLUDED.

ACCOUNT: ELECTRIC

ACCOUNT NARRATIVE

This division consists of eight (8) employees: a Construction and Maintenance Supervisor, Assistant Supervisor, six (6) Linemen II.

The division provides for the operation, construction and maintenance of the City's electric distribution system. Service is provided both inside and outside the corporate limits to approximately 7,100 customers. Wholesale power is purchased from Lockhart Power Company through a billing arrangement with the Piedmont Municipal Power Agency (PMPA).

Funding Source: Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Construction & Maintenance Supervisor	1
Assistant Supervisor	1
Linemen II	<u>6</u>
TOTAL	8

DEPT: UTILITIES DEPARTMENT

DIVISION: WATER

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$488,850	\$488,850	489,690
5002	SALARY,OVERTIME	59,000	59,000	54,000
5004	LONGEVITY BONUS	12,360	12,360	15,400
5011	INSURANCE-MED./LIFE	63,670	63,670	58,530
5012	RETIREMENT	46,430	46,430	51,940
5013	SOCIAL SECURITY	43,320	43,320	43,140
5014	WORKERS COMP	27,270	27,270	21,260
5015	CHRISTMAS BONUS	650	650	700
TOTAL PERSONNEL EXPENSE		\$741,550	\$741,550	\$734,660
5101	FRANCHISE FEE	141,000	141,000	140,000
5114	BUILDING MAINTENANCE	10,500	10,500	12,000
5116	CHEMICALS	150,000	150,000	175,000
5138	MEMBERSHIPS/SUBSCRIPTIONS	1,200	1,200	1,200
5139	EQUIPMENT LEASE	3,000	3,000	3,000
5144	TOOLS AND EQUIPMENT	30,500	30,500	33,500
5147	PROFESSIONAL SERVICES	66,000	66,000	136,000
5149	REGULATORY FEES AND LICENSE	19,500	19,500	23,000
5158	SPECIAL CONTRACTS	174,000	174,000	199,000
5159	SPECIALIZED DEPT. SUPPLIES	79,000	79,000	116,000
5162	TRAINING	5,000	5,000	5,000
5166	TRAVEL AND BUSINESS	5,500	5,500	5,500
5168	UNIFORMS AND CLOTHING	8,200	8,200	8,200
5169	FUEL-GENERATOR	0	0	8,000
5170	UTILITIES	310,000	310,000	310,000
5171	FUEL	15,500	15,500	12,000
5172	VEHICLE OPERATIONS & MAINTENANCE	11,300	11,300	11,500
TOTAL OPERATING EXPENSE		\$1,030,200	\$1,030,200	\$1,198,900
ALLOCATIONS				
	VEHICLE MAINTENANCE	\$31,100	\$31,100	\$29,920
	FINANCE	232,800	232,800	247,380
	UTILITY ADMINISTRATION	91,910	91,910	97,450
	SUPPORT SERVICES	84,690	84,690	91,700
	GENERAL FUND	118,210	118,210	102,340
TOTAL ALLOCATIONS		\$558,710 *	\$558,710 *	\$568,790 *
CAPITAL EXPENDITURES				
	EQUIPMENT REPLACEMENT	\$73,000	\$73,000	\$20,000
	CONSTRUCTION	645,200 **	645,200 **	\$763,500 **
TOTAL CAPITAL EXPENDITURES		\$718,200	\$718,200	\$783,500
TOTAL WATER DIVISION BEFORE DEPRECIATION AND DEBT SERVICE				
		\$3,048,660	\$3,048,660	\$3,285,850
	DEBT SERVICE	378,610	378,610	387,600
	TOTAL WATER DIVISION	\$3,427,270	\$3,427,270	\$3,673,450

*ALLOCATIONS FOR ADMINISTRATION ARE SHOWN AS SEPARATE LINE ITEMS.

**CAPITAL CONSTRUCTION REPRESENTS LINE AND SERVICE EXTENSION IMPROVEMENTS, INCLUDING IMPROVEMENTS PERFORMED BY THE CITY'S WORKFORCE. PERSONNEL COSTS ARE INCLUDED.

ACCOUNT: WATER

ACCOUNT NARRATIVE

This division consists of fourteen (13.5) employees: a Water Plant Wastewater Supervisor, a Construction and Maintenance Supervisor, Assistant Supervisor, Serviceman, two (2) Heavy Equipment Operators, two (2) Utility Workers, and six (6) Water Plant Operators. Beginning with FY2007 the water plant supervisor and the wastewater plant supervisor positions will be combined. A lead wastewater plant operator will be added with no increase in employees.

The division provides for the operation, construction and maintenance of the City's water distribution system. Service is provided to approximately 6,250 active customers. Service is also provided to five (5) rural water companies through master meters for each company.

Funding Sources: Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Water and Wastewater Plant Supervisor	1.5
Construction and Maintenance Supervisor	1
Assistant Supervisor	1
Serviceman	1
Heavy Equipment Operators	2
Utility Workers	2
Lead Water Plant Operator	1
Water Plant Operators	<u>5</u>
TOTAL	13.5

DEPT: UTILITIES DEPARTMENT

DIVISION: WASTEWATER

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	\$305,780	\$305,780	\$294,920
5002	SALARY,OVERTIME	18,000	18,000	16,000
5004	LONGEVITY BONUS	11,790	11,790	9,660
5011	INSURANCE-MED./LIFE	38,850	38,850	35,280
5012	RETIREMENT	27,790	27,790	29,820
5013	SOCIAL SECURITY	25,940	25,940	24,770
5014	WORKERS COMP	12,230	12,230	12,370
5015	CHRISTMAS BONUS	480	480	430
TOTAL PERSONNEL EXPENSE		\$440,860	\$440,860	\$423,250
	MISCELLANEOUS	2,000	2,000	1,000
5101	FRANCHISE FEE	96,600	96,600	85,500
5114	BUILDING MAINTENANCE	33,000	33,000	30,000
5116	CHEMICALS	52,000	52,000	54,000
5139	EQUIPMENT LEASE	500	500	500
5144	TOOLS AND EQUIPMENT	25,000	25,000	23,000
5147	PROFESSIONAL SERVICES	59,000	59,000	105,750
5149	REGULATORY FEES AND LICENSE	23,500	23,500	24,500
5158	SPECIAL CONTRACTS	327,000	327,000	307,000
5159	SPECIALIZED DEPT. SUPPLIES	25,500	25,500	27,500
5162	TRAINING	5,500	5,500	5,000
5166	TRAVEL AND BUSINESS	5,000	5,000	4,000
5168	UNIFORMS AND CLOTHING	5,000	5,000	5,000
5169	FUEL-GENERATOR			3,000
5170	UTILITIES	357,000	357,000	367,000
5171	FUEL	12,000	12,000	12,500
5172	VEHICLE OPERATIONS & MAINTENANCE	12,100	12,100	12,100
TOTAL OPERATING EXPENSE		\$1,040,700	\$1,040,700	\$1,067,350
ALLOCATIONS				
	VEHICLE MAINTENANCE	\$31,100	\$31,100	\$29,920
	FINANCE	232,620	232,620	247,380
	UTILITY ADMINISTRATION	91,910	91,910	97,450
	SUPPORT SERVICES	84,690	84,690	91,700
	GENERAL FUND	118,210	118,210	102,340
TOTAL ALLOCATIONS		\$558,530 *	\$558,530 *	\$568,790 *
CAPITAL EXPENDITURES				
	EQUIPMENT REPLACEMENT	\$61,000	\$61,000	85,000
	CONSTRUCTION	837,000 **	837,000 **	962,900 **
TOTAL CAPITAL EXPENDITURES		\$898,000	\$898,000	\$1,047,900
TOTAL WASTEWATER DIVISION BEFORE				
DEPRECIATION AND DEBT SERVICE		\$2,938,090	\$2,938,090	\$3,107,290
DEBT SERVICE		396,380	396,380	403,720
TOTAL WASTEWATER DIVISION		\$3,334,470	\$3,334,470	\$3,511,010

*ALLOCATIONS FOR ADMINISTRATION ARE SHOWN AS SEPARATE LINE ITEMS.

**CAPITAL CONSTRUCTION REPRESENTS LINE AND SERVICE EXTENSION IMPROVEMENTS, INCLUDING IMPROVEMENTS PERFORMED BY THE CITY'S WORKFORCE. PERSONNEL COSTS ARE INCLUDED.

ACCOUNT: WASTEWATER

ACCOUNT NARRATIVE

This division consists of seven (6.5) employees: a Water Plant Wastewater Plant Supervisor, one (1) Lead Wastewater Plant Operator, and six (6) Wastewater Plant Operators. Beginning with FY2007 the Water Plant Supervisor and Wastewater Plant Supervisor positions were combined. A Lead Water Plant Operator position will be added with no increase in employees.

The division provides for the operation and maintenance of three (3) Wastewater Treatment Plants, nine (9) Pumping Stations and 105 miles of Wastewater Collector system.

Funding Source: Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Water and Wastewater Plant Supervisor	1.5
Lead Wastewater Plant Operator	1
Wastewater Plant Operators	<u>5</u>
TOTAL	6.5

DEPT: UTILITIES DEPARTMENT

DIVISION: GAS

<u>LINE</u>	<u>LINE ITEM</u>	<u>FY2007 BUDGETED</u>	<u>FY2007 ESTIMATED</u>	<u>FY2008 ADOPTED</u>
5001	SALARY,REGULAR	250,490	250,490	291,810
5002	SALARY,OVERTIME	32,000	32,000	32,000
5004	LONGEVITY BONUS	7,200	7,200	8,420
5011	INSURANCE-MED./LIFE	38,370	38,370	34,740
5012	RETIREMENT	24,060	24,060	30,920
5013	SOCIAL SECURITY	22,440	22,440	25,680
5014	WORKERS COMP	10,110	10,110	12,540
5015	CHRISTMAS BONUS	430	430	450
TOTAL PERSONNEL EXPENSE		\$385,100	\$385,100	\$436,560
5108	GAS FOR RESALE	\$18,174,300	\$18,174,300	\$17,232,270
5101	FRANCHISE FEE	1,044,850	1,044,850	1,000,000
5139	EQUIPMENT LEASE	2,000	2,000	2,000
5144	TOOLS AND EQUIPMENT	15,400	15,400	15,400
5147	PROFESSIONAL SERVICES	60,000	60,000	113,750
5149	REGULATORY FEES AND LICENCE	4,000	4,000	4,000
5158	SPECIAL CONTRACTS	42,000	42,000	42,000
5159	SPECIALIZED DEPT. SUPPLIES	26,500	26,500	50,000
5162	TRAINING	13,500	13,500	12,000
5166	TRAVEL AND BUSINESS	1,500	1,500	1,500
5168	UNIFORMS AND CLOTHING	10,000	10,000	10,000
5170	UTILITIES	4,500	4,500	4,500
5171	FUEL	12,800	12,800	16,000
5172	VEHICLE OPERATIONS & MAINTENANCE	10,000	10,000	10,000
TOTAL OPERATING EXPENSE		\$1,247,050	\$1,247,050	\$1,281,150
ALLOCATIONS				
	VEHICLE MAINTENANCE	31,100	31,100	29,930
	FINANCE	232,630	232,630	247,360
	UTILITY ADMINISTRATION	91,890	91,890	97,480
	SUPPORT SERVICES	84,680	84,680	91,720
	GENERAL FUND	118,190	118,190	102,340
TOTAL ALLOCATIONS		\$558,490 *	\$558,490 *	\$568,830 *
CAPITAL EXPENDITURES				
	EQUIPMENT REPLACEMENT	\$30,000	\$30,000	85,000
	CONSTRUCTION	859,000 **	859,000 **	1,052,000 **
TOTAL CAPITAL EXPENDITURES		\$889,000	\$889,000	\$1,137,000
TOTAL GAS DIVISION BEFORE				
DEPRECIATION AND DEBT SERVICE		\$21,253,940	\$21,253,940	\$20,655,810
DEBT SERVICE		284,340	284,340	284,340
TOTAL GAS		<u>\$21,538,280</u>	<u>\$21,538,280</u>	<u>\$20,940,150</u>

*ALLOCATIONS FOR ADMINISTRATION ARE SHOWN AS SEPARATE LINE ITEMS.

**CAPITAL CONSTRUCTION REPRESENTS LINE AND SERVICE EXTENSION IMPROVEMENTS, INCLUDING IMPROVEMENTS PERFORMED BY THE CITY'S WORKFORCE. PERSONNEL COSTS ARE INCLUDED.

ACCOUNT: GAS

ACCOUNT NARRATIVE

This division consists of ten (10) employees: a Construction and Maintenance Supervisor, an Assistant Supervisor, a Welder, four (4) Heavy Equipment Operators, one (1) Utility Worker, a Measurement and Control Dispatcher, and a Gas Dispatcher/ Serviceman.

The division provides for the operations, construction and maintenance of the City's Gas Distribution System. Service is provided to approximately 6,460 active customers located in Union and Spartanburg counties. Gas is purchased from Transcontinental Gas Pipeline Corporation and South Carolina Pipeline Company. The system is comprised of approximately 300 miles of distribution piping.

Funding Source: Utility Fund

Detail of Personnel Services

<u>Position</u>	<u>No.</u>
Construction & Maintenance Supervisor	1
Assistant Supervisor	1
Welder	1
Heavy Equipment Operator	4
Utility Workers	1
Measurement and Control Dispatcher	1
Gas Dispatcher/Serviceman	<u>1</u>
TOTAL	10

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REVENUE MANUAL

REVENUE ITEM: Beginning Fund Balance

LEGAL AUTHORIZATION: Code of Ordinances, City of Union FY2007 Budget Ordinance	FUND: General Fund ACCOUNT CODE: 3110
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DESCRIPTION OF REVENUE:

The Fund Balance is a reserved amount stated in dollars which is generated over the previous fiscal years. It is generated by revenues over expenditures. Fund Balance is a residual equity account which records the amount available for expenditures.

BASE:

Cash + receivables + inventory + other current assets minus accounts payable, accrued salaries and other liabilities equals Fund Balance.

COMMENTS:

The Fund Balance can be reserved by Mayor and Council for specified purposes or left unreserved.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
2,359,453	2,149,839	2,359,138	2,189,010	2,359,140	2,986,984	2,986,984	2,797,154

REVENUE ITEM: Current Property Taxes

<p>LEGAL AUTHORIZATION:</p> <p>Code of Laws of South Carolina Title 12, Article 3, Chapter 37, Section 12-37-210 Code of Ordinances, City of Union Chapter 22, Section 22-9</p>	<p>FUND: General Fund</p> <p>ACCOUNT CODE: 10-4110</p>
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DESCRIPTION OF REVENUE:

The Property Tax is levied on all commercial, residential and other non-exempt real property. In addition, all personal property and manufacturer's equipment and inventory are taxed at an assessed value. The tax is based on two factors: assessed valuation and the current millage rate.

FEE SCHEDULE:

Property is assessed according to the following ratios:

Owner Occupied Home	=	4% of Market Value
Secondary & Rental Home	=	6% of Market Value
Motor Vehicles	=	6.00% of Market Value 01-01-06
Personal Property	=	Assessed by S.C.T.C.

Assessed Market Value X 4% or 6% X .0743 = Real Estate Tax Bill

Assessed Market Value X 6.00 X .0743 = Vehicle Tax Bill

BASE:

Comparable assessed valuation of land, buildings, personal property before adjustment for Nulla Bonas and additions less abatements and homestead.

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>ADOPTED FY2008</u>
All Assessed Value						
Except Vehicles*	10,639,270	10,295,760	10,436,380	10,612,900	10,612,900	10,612,900

Vehicle taxes are collected by Union County, SC for the City of Union. Valuation of vehicles is based on tables established by the State of South Carolina. Real estate assessed values and revenues are net of homestead exemption and abatements.

COMMENTS:

Reassessment of property values was in effect for the 2005 tax year. Also, the State Legislature has passed a bill to reduce the assessed value of vehicles from 10.5% to 6% over a period of six years. This reduction in assessed value began January 1, 2001 and now all vehicles are assessed at 6%.

REVENUE HISTORY:

<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>BUDGETED FY2007</u>	<u>ESTIMATED FY2007</u>	<u>ADOPTED FY2008</u>
80 Mills	80 Mills	74.3 Mills	74.3 Mills	74.3 Mills	74.3 Mills	74.3 Mills	74.3 Mills
1,019,791	983,772	957,262	940,067	942,931	962,000	962,000	962,000

* The above assessed value of property does not include vehicle assessment, but they do include the assessed value of any Tax Increment District Property.

REVENUE ITEM: Cost and Penalties on Taxes

LEGAL AUTHORIZATION: Code of Laws of South Carolina Title 12, Chapter 51, Section 12-51-30	FUND: General Fund ACCOUNT CODE: 10-4110-4008
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DESCRIPTION OF REVENUE:

Penalties on taxes are the additional amounts the City has the legal right to impose for late payments or failure to pay current levied taxes. Penalties are imposed to deter taxpayers from reaching delinquent status.

BASE:

January 16, following year in which taxes were due = 3% penalty
February 2, following year in which taxes were due = 7% penalty
March 17, following year in which taxes were due = 5% penalty
Then into execution: tax + penalties accrued + costs of execution = tax and penalty due

COMMENTS:

Penalties are an uncertain revenue based on the trend illustrated below.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
9,229	24,883	27,566	23,845	25,192	20,000	20,000	20,000

REVENUE ITEM: Payment In Lieu Of Taxes

LEGAL AUTHORIZATION: State Law Provides For The Acceptance Of Cash Payments Instead Of Taxes From Certain Agencies Or Enterprises.	FUND: General Fund ACCOUNT CODE: 10-4191
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DESCRIPTION OF REVENUE:

Payments in lieu of taxes are currently being accepted by the City of Union from the Housing Authority, the City Utilities Department, and from the City's Solid Waste Management.

BASE:

The Housing Authority's fee is made at the end of its fiscal year established for such Project and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent actually collected, less utilities, but in no event to exceed ten percent (10%) of the Shelter Rent charged by the local authority in respect to such Project during such fiscal year or (ii) the amount permitted to be paid by applicable state law in effect on the date such payment is made, whichever is the lowest.

The City utility fee is charged to equate the franchise business license fees lost to municipal ownership. This fee shall not exceed 5% of the operating revenues as found in the most recently completed external audit of the Utility Enterprise Fund.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
1,618,544	1,439,855	1,511,686	1,729,772	1,692,719	1,973,650	1,973,650	1,906,770

REVENUE ITEM: Business License

LEGAL AUTHORIZATION:	FUND: General Fund
Code of Laws of South Carolina 12-35-320	ACCOUNT CODE: 10-4210
Code of Ordinances, City of Union, Chapter 5, Article I, Section 5.6	

DESCRIPTION OF REVENUE:

The Business License is levied for the purpose of providing regulations as may be required for businesses subject thereto and for the purpose of raising revenue for the General Fund through a privilege tax.

FEE SCHEDULE:

<u>CLASS</u>	<u>GROSS REVENUE</u>	<u>MINIMUM FEE</u>	<u>RATE PER THOUSAND OVER MINIMUM</u>
1	\$ 0-2000	\$ 35.00	1.35 per thousand
2	0-2000	40.00	1.40 per thousand
3	0-2000	45.00	1.45 per thousand
4	0-2000	50.00	1.50 per thousand
5	0-2000	55.00	1.55 per thousand
6	0-2000	60.00	1.60 per thousand
7	0-2000	65.00	1.65 per thousand
8	See Individual Business in Class		
Business License Ordinance Book			\$10

BASE: The Business License Revenue increased 3% from FY2005 to FY2006 and is due largely to a contract with the Municipal Association to collect insurance license fees.

COMMENTS: There are currently over 1200 active business licenses in the City of Union. The City has computerized the business license operation and will continue the existing business inspection program and audit program. The Telecommunications Act of 1999 will reduce the amount a telecommunications provider can be charged and will affect future revenue.

REVENUE HISTORY:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>BUDGETED FY2006</u>	<u>ESTIMATED FY2007</u>	<u>ADOPTED FY2008</u>
Business License	888,170	868,426	905,887	1,007,812	1,039,350	935,000	935,000	980,000

REVENUE ITEM: Building and Utility Permits

LEGAL AUTHORIZATION:

Code of Ordinances, City of Union
Chapter 4, Article I, Section 4-1
Chapter 8, Article 1, Section 8-13,
Chapter 11, Article 1, Section 11-7,
Chapter 19, Article 1, Section 19-16.

FUND: General Fund

ACCOUNT CODE: 10-4210

DESCRIPTION OF REVENUE:

A Building Permit is a license to erect, demolish, alter, repair or move a structure in compliance with all State and City Codes and Ordinances. A Utility Permit is a license to install and repair plumbing, electrical, and gas service in compliance with all state and city codes and ordinances

FEE SCHEDULE:

Effective July 1, 2002.

COMMENTS:

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2006</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
25,300	41,995	24,422	30,106	25,895	29,500	29,500	32,500

**CITY OF UNION
BUILDING AND UTILITY PERMIT RATES
(Effective July 1, 2002)**

a)	<u>Building Permits</u>
<u>Total Valuation</u>	<u>Fees</u>
\$ 0.00 to \$250.00	No permit unless inspection required.
\$ 251.00 to \$3,000.00	\$15.00
\$ 3,001.00 to \$50,000.00	\$5.00 per thousand or fraction thereof.
\$ 50,001.00 to \$100,000.00	\$250.00 for the first \$50,000 plus \$3.75 for each additional thousand or fraction thereof.
\$100,001.00 to \$150,000.00	\$437.50 for the first \$100,000 plus \$3.25 for each additional thousand or fraction thereof.
\$150,001.00 to \$200,000.00	\$593.75 for the first \$150,000 plus \$2.50 for each additional thousand or fraction thereof.
\$200,001.00 to \$500,000.00	\$718.75 for the first \$200,000 plus \$2.00 for each additional thousand or fraction thereof.
\$500,001.00 and up	\$1,281.25 for the first \$500,000 plus \$1.25 for each additional thousand or fraction thereof.

ADDITIONS & NEW RESIDENTIAL BUILDINGS:

Fee based on SBCCI Schedule.

MANUFACTURED HOMES SET UP FEE

For placement of Mobile Home on lot	Use Building Permit Schedule
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b) Moving of Building or Structure (Excluding Mobile Homes)	\$75.00
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Where a police escort is required or where the structure remains on any street for more than two hours, an additional fee equal to the policemen's salary for the time required shall apply.

When the City must move any city utilities to permit the moving, the cost so incurred by the city shall be paid in addition to any other fee.

c) Moving mobile home out of City (This covers the inspection of the sewer cap by the Building Official)	\$15.00
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- d) Demolition of building or structure \$50.00
- e) Signs – Fee same as building permit schedule. (If illuminated, will require an electrical permit.)
- f) Fences – Fee same as building permit schedule. (Must meet zoning regulations.)
- g) Swimming Pools – Public \$40.00
Private \$25.00
- h) Grading & Excavating – Fee same as building permit schedule.

Electrical Permit Fees

- a) Base fee for issuing permit \$15.00

Services

Residential – 100 amp service	\$10.00
Residential – 200 amp service	\$20.00
Commercial Service	\$35.00
Temporary Pole	\$15.00

Branch Circuits

Each Branch Circuit Over current Device	<u>Residential</u>	<u>Commercial</u>
Single Pole	\$1.00	\$1.50
Double Pole	\$2.00	\$2.50
Triple Pole	\$3.00	\$3.50

- b) Electrical permit fees for mobile homes same as residential.

HVAC Permit Fees

Fee for inspecting heating, ventilating, ductwork, air-conditioning & refrigeration systems.	\$15.00 for the first \$1,000.00 plus \$5.00 for each additional \$1,000 or fraction thereof.
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Plumbing Permit Fees

Any permit requiring inspection--- Minimum	\$15.00
For each plumbing fixture, floor drain or trap (includes water & drainage piping)	\$ 3.50

Re-inspection Fees

First and Second re-inspection on same job	\$15.00
Third or more re-inspection on same job	\$25.00

Penalties for Violation

Where work for which a permit is required by this code is started or proceeded with, prior to obtaining said permit, the fee shall be doubled, but the payment of such double fee shall not relieve any person from fully complying with the Violation Section for each code.

Other Fees

Re-zoning, Use Permitted on Review & Special Exceptions	Actual cost billed to customer
Review Construction Plans	½ of Building Permit Cost
Zoning Book Cost	\$10.00
Zoning Map	\$10.00

SEWER CONNECTION CHARGES

- (A) **Enumerated.** The following charges shall be made for all connections to sewer lines:
- (1) A single-family dwelling shall pay a connection charge of three hundred dollars (\$300.00).
 - (2) A multi-family dwelling (two or more units) shall pay a connection charge of three hundred dollars (\$300.00) for the first dwelling unit and one hundred and fifty dollars (\$150.00) for each additional dwelling unit.
 - (3) Hotels and motels shall pay a connection charge of three hundred dollars (\$300.00) for the first bath and seventy-five dollars (\$75.00) for each additional bath.
 - (4) Any other structure or building including but not limited to schools, hospitals, public and commercial buildings shall pay a charge for each connection to a sewer line of five-hundred dollars (\$500.00) for the first fixture unit or less and five dollars (\$5.00) for each additional fixture unit.
- (B) **Determination of fixture units.** In determining the number of fixture units applicable to a given building or structure, the provisions and tables as set forth in the Standard Plumbing Code as it may be amended from time to time will be applicable in determining the connection charges under this section.
- (C) Any sewer connection fees are payable by the General Contractor with the building permit. (By ordinance adopted.)

REVENUE ITEM: Local Government Fund - Aid To Subdivisions

LEGAL AUTHORIZATION: Code of Laws of South Carolina Title 6 Chapter 27 - Section 6-27-30 and 6-27-40	FUND: General Fund ACCOUNT CODE: 10-4350
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DESCRIPTION OF REVENUE:

In the annual general appropriations act, an amount equal to not less than four and one-half percent of General Fund Revenues of the latest completed fiscal year must be appropriated to the Local Government Fund.

BASE:

The distribution of monies to local government is as follows: Sixteen and seven hundred twenty-two thousandths percent must be distributed to municipalities. Of the total distributed to municipalities, each municipality must receive an amount based on the ratio that the municipality's population is of the population of all municipalities in this State according to the most recent United States Census. Revenues from this source show an increase of 3% from FY2002 until FY2005. FY2006 increased 1% over FY2005.

COMMENTS:

This revenue is based on the economy of the State of South Carolina.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
231,896	226,632	228,605	238,099	241,005	230,000	230,000	230,000

REVENUE ITEM: Accommodations Tax

LEGAL AUTHORIZATION: Code of Laws of South Carolina Title 12, Chapter 35, Article VI, Section 12-35-710 and 12-35-720 and Title 6, Chapter 4 Section 6-4-10	FUND: General Fund ACCOUNT CODE: 10-4350
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DESCRIPTION OF REVENUE:

Accommodations Tax is a 2% additional sales tax levied on the gross proceeds for the rental of transient accommodations, including campgrounds. The State of South Carolina collects the tax and distributes the proceeds back to the City.

FEE SCHEDULE:

The Accommodations Tax is remitted to the City annually.

BASE:

State law provides that the first \$25,000 received by a municipality be allocated to the General Fund and be exempt from all other requirements of the Act.

State law provides that until collections reach \$50,000, all funds are allocated to the General Fund. Once the \$50,000 threshold is reached, the funds must be allocated according to Section 6-4-10 of the South Carolina Code.

COMMENTS:

The Accommodations Tax received by the City may experience slight growth for FY2008, but budget estimates remain stable.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2006</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
45,057	44,194	44,089	47,069	48,838	45,000	45,000	45,000

REVENUE ITEM: Homestead Exemption Tax

LEGAL AUTHORIZATION:

Code of Laws of South Carolina Title 12,
Chapter 37, Sections 250, 252, 255, 260,
265, 266, 290; Homestead Exemption Tax
Provisions Sections 270, 275, 280
Homestead Tax Reimbursement

FUND: General Fund

ACCOUNT CODE: 10-4350-4068

DESCRIPTION OF REVENUE:

The City is reimbursed by the Comptroller General from the General Fund of the state for any tax loss due to the Homestead Exemption. Reimbursement is received on an annual basis and is based on the Tax Levy. The 1995-96 Tax Levy was reduced from 70 Mills to 59 Mills. The 98-99 Tax Levy was increased from 59 Mills to 80 Mills. Millage is currently at 74.3 Mills.

COMMENTS:

The Homestead Exemption provides that the first fifty thousand dollars of the fair market value for the dwelling place of persons is exempt from municipal property taxes when such persons have been residents of the State for at least one year, have reached the age of 65 years on or before December 31, or any persons who have been classified as permanently disabled or any person who is legally blind.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2006</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
117,129	121,441	122,308	122,710	124,247	120,000	120,000	120,000

REVENUE ITEM: Merchant's Inventory Tax

LEGAL AUTHORIZATION:

Code of Laws of South Carolina Title 12,
Chapter 37, Sections 450, 890, 970, 1410
and 1420

FUND: General Fund

ACCOUNT CODE: 10-4350

DESCRIPTION OF REVENUE:

The City is reimbursed for the revenue lost as a result of the business inventory tax phase-out. The Comptroller General authorizes the State Treasurer to issue this reimbursement check on an annual basis.

COMMENTS:

Assessments for property taxation of fixtures are determined by the South Carolina Tax Commission from property tax returns once a year. Effective for tax years after December 31, 1984, the inventory of business establishments shall be exempt from property tax as follows: for 1985, seventeen percent (17%); for 1986, fifty percent (50%); and for 1987 and years after, one hundred percent (100%).

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2006</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
28,066	28,066	28,066	28,066	28,066	28,060	28,060	28,060

REVENUE ITEM: Manufacturer Exemption Tax

LEGAL AUTHORIZATION:

Code of Laws of South Carolina Title
Section 11-11-150

FUND: General Fund

ACCOUNT CODE: 10-4-435-4075

DESCRIPTION OF REVENUE:

Funds to reimburse all local-taxing entities the amount of revenue not collected as a result of the additional depreciation more than eighty percent allowed for manufacturers' machines and equipment.

COMMENTS:

The City will receive this tax on an annual basis.

REVENUE HISTORY:

<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
11,999	12,195	12,682	12,000	12,000	12,000

REVENUE ITEM: Motor Carrier Taxes

LEGAL AUTHORIZATION:

Code of Laws of South Carolina Title 12,
Chapter 37

FUND: General Fund

ACCOUNT CODE: 10-4-4350-4010

DESCRIPTION OF REVENUE:

The taxes and payments in lieu of taxes are collected by the State and will be disbursed to counties on a basis. The distribution for each county is determined on the ratio of total federal and state highway miles within each county during the preceding calendar year to the total federal and state highway miles within counties of this State during the same preceding calendar year. The revenue collected by the State is of two sources: 1) a one-time fee on trailers and semi-trailers collected by the Department of Public Safety 2) an annual property tax on motor carrier vehicles collected by the Department of Revenue. In turn, the Treasurer must distribute this revenue to every governmental entity levying a property tax in that county

COMMENTS:

The City will receive this tax on an annual basis.

REVENUE HISTORY:

<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
10,546	12,255	10,000	10,000	10,000

REVENUE ITEM: Fines and Forfeitures

LEGAL AUTHORIZATION:

Code of Ordinances, City of Union
FY2007 Budget Ordinance

FUND: General Fund

ACCOUNT CODE: 10-4410

DESCRIPTION OF REVENUE:

This revenue is generated through bonds posted for release of individuals being held in the City jail or for traffic fines. The amount of fine is set by the City Judge according to the type case to be tried in City Court. Bond money is collected and receipted by the Public Safety Department at the end of each month, and net bail bonds are transferred to the General Fund after disposition of cases.

BASE:

This revenue source is based on the enforcement of City of Union codes and ordinances and state statutes.

COMMENTS:

The revenues listed below are net amounts kept by the City for fines and forfeitures. State fines are imposed in addition to normal fines for the violation. Those fines are remitted directly to the State.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
118,820	117,838	130,812	125,569	101,769	85,000	85,000	90,000

REVENUE ITEM: Interest on Investments

LEGAL AUTHORIZATION: Code of Laws of South Carolina Title 6, Chapter 5, Section 6-5-10 and 6-5-20	FUND: General Fund ACCOUNT CODE: 10-4600-4104
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DESCRIPTION OF REVENUE:

As a part of its cash management program, the City invests all available funds in interest-bearing accounts. Periodically, funds are invested in Certificates of Deposit or U.S. Treasury obligations.

BASE:

This revenue is based on a cash management program which utilizes the City's cash flow position to earn additional funds.

COMMENTS:

Interest earnings reflect a strong fund balance and higher interest rates.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
68,830	42,035	30,414	57,042	96,974	50,000	50,000	70,000

REVENUE ITEM: Solid Waste Collection Fees

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Solid Waste Management ACCOUNT CODE: 12-4-4190-4042 12-4-4190-4044 12-4-4190-4046
--	--

DESCRIPTION OF REVENUE:

This revenue is generated through collection of fees for Solid Waste Collection, which includes curbside garbage pickup, yard waste removal and pickup at local retail/commercial establishments/institutions.

FEE SCHEDULE:

- A. Residential = \$15.00 per month per cart
- B. Retail/Commercial Establishments/Institutions = \$15.00 per month
- C. (1) Additional cart may be added at an additional \$15.00 per month per cart.
- D. Yard Waste - \$20.00 per pick up - maximum pick-up is one truck load.
Customer will need to contact Solid Waste Management for this service.
- E. Effective date - July 1, 2003

BASE:

All customers, which include all customers that reside in multi-family dwellings, will be charged a monthly fee of \$15.00. Additional carts may be added at an additional \$15.00 per month per cart. Yard waste removal will remain a service of the City, but customers will be charged a \$20.00 per pick-up charge (maximum one (1) truck load). Customers will need to contact the City's Solid Waste Department each time a pick-up is needed.

COMMENTS:

The implementation of a Solid Waste Management Fund is due to the increased cost of moving and disposing of solid waste.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
643,354	641,799	726,699	728,629	736,428	728,000	728,000	728,000

REVENUE ITEM: Service Connection Charges

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Utility Fund ACCOUNT CODE: 32-4150; 32-4160; 32-4170; 32-4180
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DESCRIPTION OF REVENUE:

This revenue is derived from connection charges collected by the City for all utility services.

Service Connection Charge

- 1) This charge applies to any new meter installations and for service at a location where the meters are installed, but the customer has not had previous service with the City.
- 2) For a new customer desiring either electric, water, or sewer, or a combination of the three, a \$20 service connection charge applies.
- 3) For a new customer desiring gas service, a \$30 service connection charge applies.
- 4) For a new customer desiring electric, water, sewer and gas, a \$50 service connection charge applies.

Transfer Charge

- 1) For a customer having electric, water, sewer, or gas, or any combination thereof, who relocates to another address on the system, a \$10 transfer charge applies.
- 2) If other utility services, in addition to those being transferred, are requested at the new address, the customer must pay the applicable service connection charge and tap fee.
- 3) A transfer charge will not be applicable for those customers requesting a bonefide name change only, where that particular account is not currently in arrears. This applies to those customers requesting the account be transferred to their name due to death of a spouse, marriage, divorce, and other extenuating circumstances. If any other changes are necessary involving a trip by the serviceman, a transfer charge is applicable.

Persons requesting name changes under this section are required to execute appropriate service agreements.

Surcharges

- 1) A surcharge was imposed November 21, 1995 on all services obtained from the Buffalo Water & Sewer Dist.
- 2) This surcharge will be used to make repairs and necessary improvements to the water and sewer system of the Buffalo Water & Sewer Dist.

Reconnection Fee

- 1) See Utility Billing Ordinance.

Returned Check Fee

A returned check fee of \$30 will be imposed on any customer whose check is returned for non-sufficient funds or a closed account.

REVENUE ITEM: Electric Usage

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Utility Fund ACCOUNT CODE: 32-4150
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DESCRIPTION OF REVENUE:

This revenue is derived from electrical payments collected by the City from all electrical service customers.

FEE SCHEDULE:

See Retail Electric Rate Schedule: Effective July 1, 2003

BASE:

The approximately 7,100 active electric service accounts are billed monthly.

COMMENTS:

An electric rate study is scheduled for FY 2008.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
#####	#####	#####	12,400,828	13,265,237	12,960,980	13,083,000	13,186,930

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
ELECTRIC RATE SCHEDULE
(Adopted 07-01-03)**

**RESIDENTIAL SERVICE
(Rate Code 001)**

AVAILABILITY: This schedule is available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments.

TYPE OF SERVICE: The City of Union will normally supply the equipment necessary and will deliver to the Customer through one meter at one delivery point, mutually satisfactory to the City and the Customer, 60-cycle alternating current electricity of the phase and voltage desired by the Customer, provided electricity of the phase and voltage desired by the Customer is available generally in the area in which service is desired.

RATES: Monthly charges will be calculated as follows:

Basic Facilities Charge: \$6.74 per month

Energy Charge:

For All KWH \$0.09474 per KWH

SALES TAX AND PURCHASED POWER ADJUSTMENT: To the above charges will be added any applicable South Carolina Sales Tax and Purchased Power Adjustment.

PAYMENT: Bills are due and payable at the offices of the City's Utility Department.

EFFECTIVE: 07/01/03

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
ELECTRIC RATE SCHEDULE
(Adopted 07-01-03)**

**RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING
(Rate Code 002)**

AVAILABILITY: This schedule is available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments, and is applicable where electric water heating and environmental space conditioning are utilized.

TYPE OF SERVICE: The City of Union will normally supply the equipment necessary and will deliver to the Customer through one meter at one delivery point, mutually satisfactory to the City and the Customer, 60-cycle alternating current electricity of the phase and voltage desired by the Customer, provided electricity of the phase and voltage desired by the Customer is available generally in the area in which service is desired.

RATES: Monthly charges will be calculated as follows:

Basic Facilities Charge: \$6.74 per month

Energy Charge:

For All KWH \$0.08713 per KWH

SALES TAX AND PURCHASED POWER ADJUSTMENT: To the above charges will be added any applicable South Carolina Sales Tax and Purchased Power Adjustment.

PAYMENT: Bills are due and payable at the offices of the City's Utility Department.

EFFECTIVE: 07/01/03

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**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
ELECTRIC RATE SCHEDULE
(Adopted 07-01-03)**

**COMMERCIAL
(Rate Code 003, 006, 019)**

AVAILABILITY: This schedule is available to any non-residential customer. This schedule is not available for resale, breakdown, or parallel operation.

TYPE OF SERVICE: The City of Union will normally supply the equipment necessary and will deliver to the Customer through one meter at one delivery point, mutually satisfactory to the City and the Customer, 60-cycle alternating current electricity of the phase and voltage desired by the Customer, provided electricity of the phase and voltage desired by the Customer is available generally in the area in which service is desired.

RATES: Monthly charges will be calculated as follows:

Basic Facilities Charge: \$10.88 per month

Demand Charge:

First 30 KW No Charge

Above 30 KW \$8.70 per KW

Energy Charge:

For the first 125 KWH per KW billing demand

First 4,000 KWH \$0.10562 per KWH

All over 4,000 KWH \$0.05885 per KWH

All over 125 KWH per KW billing demand

First 10,000 KWH \$0.08713 per KWH

All over 10,000 KWH \$0.05885 per KWH

COMMERCIAL ELECTRIC RATE SCHEDULE (CONTINUED)

DETERMINATION OF BILLING DEMAND: The demand for billing purposes each month shall be the highest average KW measured in any 30-minute interval during the month, or a minimum of 30 KW. The City will install a permanent demand meter when the monthly consumption of the Customer exceeds 3,000 KWH for a six-month period.

SALES TAX AND PURCHASED POWER ADJUSTMENT: To the above charges will be added any applicable South Carolina Sales Tax and Purchased Power Adjustment.

PAYMENT: Bills are due and payable at the offices of the City's Utility Department.

EFFECTIVE: 07/01/03

CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
ELECTRIC RATE SCHEDULE
(Adopted 07-01-03)

INDUSTRIAL
(Rate Code 007, 010)

AVAILABILITY: This schedule is available only to establishments classified as “Manufacturing Industries” by the Stand Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

Service under this Schedule shall be used solely by the contract Customer in a single enterprise, located entirely on a single, contiguous premise.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other Schedule of the City, except at the option of the City, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the City in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises and permits, for the delivery of such power. The City shall not be liable to any Customer or applicant for power in the event it is delayed in, or is prevented from furnishing the power by its failure to secure and retain such rights-of-way, privileges, franchises and permits.

TYPE OF SERVICE: The City of Union will normally supply the equipment necessary and will deliver to the Customer through one meter at one delivery point, mutually satisfactory to the City and the Customer, 60-cycle alternating current electricity of the phase and voltage desired by the Customer, provided electricity of the phase and voltage desired by the Customer is available generally in the area in which service is desired.

ELECTRIC RATE SCHEDULE – INDUSTRIAL - CONTINUED

RATES: Monthly charges will be calculated as follows:

Basic Facilities Charge: \$16.31 per month

Demand Charge:

First 30 KW No Charge

Above 30 KW \$8.70 per KW

Energy Charge:

For the first 125 KWH per KW billing demand

First 4,000 KWH \$0.11214 per KWH

All over 4,000 KWH \$0.05994 per KWH

All over 125 KWH per KW billing demand

First 10,000 KWH \$0.08822 per KWH

All over 10,000 KWH \$0.05994 per KWH

DETERMINATION OF BILLING DEMAND: The demand for billing purposes each month shall be the highest average KW measured in any 30-minute interval during the month, or a minimum of 30 KW. The City will install a permanent demand meter when the monthly consumption of the Customer exceeds 3,000 KWH for a six-month period.

SALES TAX AND PURCHASED POWER ADJUSTMENT: To the above charges will be added any applicable South Carolina Sales Tax and Purchased Power Adjustment.

PAYMENT: Bills are due and payable at the offices of the City's Utility Department.

EFFECTIVE: 07/01/03

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
ELECTRIC RATE SCHEDULE
(Adopted 07-01-03)**

**CHURCH
(Rate Code 074)**

AVAILABILITY: This schedule is available only to churches. This schedule is not available for resale, breakdown, or parallel operation.

TYPE OF SERVICE: The City of Union will normally supply the equipment necessary and will deliver to the Customer through one meter at one delivery point, mutually satisfactory to the City and the Customer, 60-cycle alternating current electricity of the phase and voltage desired by the Customer, provided electricity of the phase and voltage desired by the Customer is available generally in the area in which service is desired.

RATES: Monthly charges will be calculated as follows:

Basic Facilities Charge:	\$9.77 per month
Demand Charge:	
First 20 KW	No Charge
Above 20 KW	\$10.50 per KW
Energy Charge:	
First 5,000 KWH	\$0.09211 per KWH
All over 5,000 KWH	\$0.04906 per KWH

DETERMINATION OF BILLING DEMAND: The demand for billing purposes each month shall be the highest average KW measured in any 30-minute interval during the month, or a minimum of 20 KW. The City will install a permanent demand meter when the monthly consumption of the Customer exceeds 3,000 KWH for a six-month period.

SALES TAX AND PURCHASED POWER ADJUSTMENT: To the above charges will be added any applicable South Carolina Sales Tax and Purchased Power Adjustment.

PAYMENT: Bills are due and payable at the offices of the City's Utility Department.

EFFECTIVE: 07/01/03

**CITY OF UNION, SOUTH CAROLINA
 UTILITY DEPARTMENT
 SECURITY LIGHT RATE SCHEDULE
 (Effective 07-01-98)**

	<u>Without Pole</u>	<u>With Pole</u>
100 watt HPS	5.23	6.07
175 watt Mercury	5.23	6.07
250 watt HPS	9.41	10.46
400 watt Mercury	9.93	10.77
400 watt Mercury (wide)	11.40	12.24
400 watt HPS	12.55	13.39
400 watt HPS (wide)	13.60	14.47
400 watt metal halide	15.23	16.10
750 HPS	21.70	21.70
1000 watt metal halide	20.66	22.40
1000 HPS	17.90	23.74
1000 watt metal halide (wide)	16.38	22.22

Rates do not include sales tax.

REVENUE ITEM: Electric Tap Fee

LEGAL AUTHORIZATION: Code of Ordinances, City of Union FY2007 Budget Ordinance	FUND: Utility ACCOUNT CODE: 32-4150
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DESCRIPTION OF REVENUE:

A new electric customer who has paid all appropriate connection fees and permits must pay a fee to have an electric tap installed and connected onto the City's system.

FEE SCHEDULE & OTHER REQUIREMENTS:

- I. Electrical permits may be obtained by the homeowner or licensed electrician.
- II. Temporary service (tool house connection with proper equipment provided by customer) \$75.
- III. Underground Service
 - A. Residential Service - up to 200 amp
\$250 minimum charge up to 100 linear feet. For each additional foot required over 100 linear feet, the fee is \$2.50 per linear foot.
 - B. Commercial Service
 - 1) Up to 200 amp single phase - \$250 minimum charge up to 100 linear feet. For each additional foot required over 100 linear feet, the fee is \$2.50 per linear foot.
 - 2) Up to 300 amp three phase - \$350 minimum charge up to 100 linear feet. For each additional foot required over 100 linear feet, the fee is \$5 per linear foot.
 - 3) Up to 400 amp three phase - \$500 minimum charge up to 100 linear feet. For each additional foot required over 100 linear feet, the fee is \$7.50 per linear foot.
 - 4) All underground service will be measured from the nearest pole on the property or from the point the service enters the property.
 - C. Security Lights/Electric Service Poles
 - 1) If a customer desires a pole to cut down on length of service, an additional \$50 charge will be added to each charge above. This does not apply if customer contracts for a security light.
 - 2) Underground service for security lights - \$75 minimum charge up to 100 linear feet. For each additional foot required over 100 linear feet, the fee is .75 per linear foot.

All underground service will be installed, to include providing the ditch, by the City's workforce.

IV. Relocation of Security Light/Electric Service Poles

A. Fee for relocation of a security light/electric service pole requested by the customer is \$75.

V. Mobile Homes

A. County permit is required for inside or outside the City. Customer obtains this permit from the Union County Tax Assessor's Office.

BASE:

Electric tap fee is based on the cost of material, labor, and overhead needed to provide an electric connection to the City's Electric System.

COMMENTS:

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
9,152	5,938	8,505	3,740	6,671	6,000	6,000	7,000

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REVENUE ITEM: Water Usage

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Utility Fund ACCOUNT CODE: 32-4160
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DESCRIPTION OF REVENUE:

This revenue is derived from water payments collected from all water service customers.

FEE SCHEDULE:

See Proposed Water Rate Schedule: Effective July 1, 2007

BASE:

The approximately 6,250 active water service accounts are billed monthly.

COMMENTS:

A rate study is scheduled for FY2008.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
2,414,162	2,644,414	2,488,807	2,527,333	2,779,680	2,763,270	2,763,270	3,049,440

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
WATER RATE SCHEDULE**

	<u>Inside City</u>	<u>Outside City</u>
Customer Service Charge	\$6.76	\$10.12

	<u>Volume Charge per 1000 Gallons</u>	
	<u>Inside City</u>	<u>Outside City</u>
Residential (050, 051)	\$2.24	\$3.36
Commercial (052, 053)	\$1.90	\$2.85
Industrial (054, 055)	\$1.90	\$2.85
Institutional (056, 057) (Schools, Hospitals, Churches)	\$1.90	\$2.85
Water Districts (058)		\$2.24
Fire Sprinklers/\$/Month/Account (090)		\$25.00

EFFECTIVE: 07-01-07

REVENUE ITEM: Water Tap Fee

LEGAL AUTHORIZATION:

Code of Ordinances, City of Union
FY2007 Budget Ordinance

FUND: Utility

ACCOUNT CODE: 32-4160

DESCRIPTION OF REVENUE:

A new water customer who has paid all appropriate connection fees and permits must pay a fee to have a water tap installed and connected onto the City's system.

FEE SCHEDULE:

<u>Meter Size</u>	<u>Fee</u>
3/4"	\$ 350.00
1"	\$ 425.00
1-1/2"	\$ 625.00
2"	\$2,500.00

NOTE: The above fees provide for the tap, installation of service line and meter at the street right-of-way line.

BASE:

Water tap fee is based on the cost of material, labor and overhead needed to provide a water connection to the City's Water System.

COMMENTS:

An annexation agreement is required for all taps outside the City's corporate limits.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
16,880	23,026	7,662	7,224	6,355	11,250	10,000	10,000

REVENUE ITEM: Sewer Usage

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Utility Fund ACCOUNT CODE: 32-4170
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DESCRIPTION OF REVENUE:

This revenue is derived from sewer bill payments collected by the City from all sewer service customers.

FEE SCHEDULE:

See Proposed Wastewater Rate Schedule: Effective for July 1, 2007

BASE:

The approximately 5,040 active sewer service accounts are billed monthly.

COMMENTS:

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
1,533,811	1,649,772	1,462,441	1,597,563	1,736,476	1,790,440	1,700,000	1,856,740

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
WASTEWATER RATE SCHEDULE**

RESIDENTIAL (060,061)

	<u>Inside City</u>	<u>Outside City</u>
Customer Service Charge	\$ 8.98	\$11.98
Volume Charge (per 1000 gals. metered water)	\$ 2.49	\$ 3.74
Maximum Bill (12,000 gallons)	\$38.86	\$56.86

NOTE: Minimum for master metered multiple units is dependent on number of units.

COMMERCIAL (062,063)

	<u>Inside City</u>	<u>Outside City</u>
Customer Service Charge/Minimum Bill	\$ 8.98	\$11.98
Volume Charge (per 1000 gals. metered water)	\$ 2.49	\$ 3.74

INDUSTRIAL (064,065)

	<u>Inside City</u>	<u>Outside City</u>
Customer Service Charge/Minimum Bill	\$ 8.98	\$11.98
Volume Charge (per 1000 gals. metered water)	\$ 2.49	\$ 3.74
BOD*	\$0.17/lb.	\$0.17/lb.
TSS*	\$0.17/lb.	\$0.17/lb.

* A surcharge of \$0.17 per pound of Biochemical Oxygen Demand (BOD) and \$0.17 per pound of Suspended Solids in excess of 300 mg/l per month, as estimated by the City's Utilities Department Industrial Wastewater Monitoring Program, is added to the customer service charge.

Credit will be allowed for metered water which is not discharged into the City's Wastewater System which can be demonstrated by the customer by installation of additional metering at customer's expense.

**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
WASTEWATER RATE SCHEDULE**

SEPTIC TANK WASTE DISPOSAL

Septic Tank Waste Disposal	\$ 100.00/load
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INDUSTRIAL PRETREATMENT PROGRAM-ADMINISTRATIVE FEES

Permit Application Processing and Renewal Fees:

Low Volume User	\$ 150.00
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Significant Industrial User	\$ 500.00
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Annual Administration and Inspection Fees:

Low Volume User	\$ 480.00
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Significant Industrial User W/O Pretreatment	\$ 900.00
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Significant Industrial User W/Pretreatment	\$1200.00
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EFFECTIVE: 07/01/07

REVENUE ITEM: Sewer Tap Fee

LEGAL AUTHORIZATION:

Code of Ordinances, City of Union,
FY2007 Budget Ordinance

FUND: Utility

ACCOUNT CODE: 32-4170

DESCRIPTION OF REVENUE:

A new sewer customer who has paid all appropriate connection fees and permits must pay a fee to have an sewer tap installed and connected onto the City's system.

FEE SCHEDULE:

See Sewer Connection Charge on Page of Revenue Manual.

BASE:

Sewer tap fee is based on the cost of material, labor and overhead needed to provide sewer connection to the City's sewer system.

COMMENTS:

An annexation agreement is required for all taps outside the City's corporate limits.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
11,468	4,805	1,696	3,428	900	2,000	2,000	4,000

REVENUE ITEM: Gas Usage

LEGAL AUTHORIZATION: Code of Ordinances, City of Union, FY2007 Budget Ordinance	FUND: Utility Fund ACCOUNT CODE: 32-4180
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DESCRIPTION OF REVENUE:

This revenue is derived from gas payments collected by the City from all gas service customers.

FEE SCHEDULE:

See Gas Rate Schedule: Effective July 1, 2004.

BASE:

The approximately 6,460 active gas service accounts are billed monthly.

COMMENTS:

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
11,482,729	14,672,945	15,324,902	16,394,845	20,562,347	20,751,060	20,150,000	19,802,970

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**CITY OF UNION, SOUTH CAROLINA
UTILITY DEPARTMENT
GAS RATE SCHEDULE**

RESIDENTIAL
(Rate Code 040)

Basic Facilities Charge (Minimum Bill) \$ 8.00

Plus \$0.53 per CCF/Base Volume Charge
Plus cost of gas*

NOTE: Plus purchased gas adjustment charge (PGA) if applicable.

SMALL COMMERCIAL
(Meter Size=<275 CFH)
(Rate Code 045)

Basic Facilities Charge (Minimum Bill) \$10.00

Plus \$0.495 per CCF/Base Volume Charge
Plus cost of gas*

NOTE: Plus purchased gas adjustment charge (PGA) if applicable.

LARGE COMMERCIAL
(Meter Size=>275 CFH)
(Rate Code 41)

Basic Facilities Charge (Minimum Bill) \$14.25

Plus \$0.47 per CCF/Base Volume Charge
Plus cost of gas*

Plus purchased gas adjustment charge (PGA) if applicable.

GAS RATE SCHEDULE (Continued)

INTERRUPTIBLE

(Rate Code 042)

This industrial rate is available by special contract only and requires a minimum usage of 50 MCF per day. An alternate fuel source must be available.

All volumes shall be billed at actual cost of purchased gas plus \$0.74 per dekatherm or by special contract.

EFFECTIVE: 07/01/04

* Cost of gas will be calculated by the actual cost of all gas purchased and shall include transportation cost, brokerage fees and any regulatory fees which may be assessed.

REVENUE ITEM: Gas Tap Fee

LEGAL AUTHORIZATION:

Code of Ordinances, City of Union,
FY2007 Budget Ordinance

FUND: Utility

ACCOUNT CODE: 32-4-4180-4276

DESCRIPTION OF REVENUE:

A new gas customer who has paid all appropriate connection fees and permits must pay a fee to have a gas tap installed and connected onto the City's system.

FEE SCHEDULE:

Standard 1" service line or less

The City will run the first 100 linear feet or less measured from the street right-of-way to the residence or at a cost of \$300. For each additional foot required over 100 feet, the fee is \$1.50 per linear foot. This fee has been suspended until June 30, 2006. A customer will now receive up to 250 linear feet or less at no charge. For each additional foot required over 250 feet, the fee is \$.50 per linear foot.

Relocation of gas service line

The charge for relocating a gas service line or meter is actual labor, equipment and material charges not to exceed \$300. Customer is required to sign agreement to pay for applicable charges.

BASE:

Gas tap fee is based on the cost of material, labor, and overhead needed to provide a gas connection to the City's Gas System.

COMMENTS:

City Council, for the 3rd year, has agreed to suspend the tap fee of \$300 until June 30, 2008. However, a fee of \$0.50 per linear foot will be charged for any footage over 250 feet.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
36,350	29,497	17,094	14,590	7,706	2,000	2,000	2,000

REVENUE ITEM: Interest on Investments

LEGAL AUTHORIZATION: Code of Laws of South Carolina Title 6, Chapter 5, Section 6-5-10 and 6-5-20	FUND: Utility Fund ACCOUNT CODE: 32-4600
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DESCRIPTION OF REVENUE:

As a part of its cash management program, the City invests all available funds in interest-bearing accounts. Periodically, funds are invested in Certificates of Deposit or U.S. Treasury obligations.

BASE:

This revenue is based on a cash management program which utilizes the City's cash flow position to earn additional funds.

COMMENTS:

The outlook is for interest rates to remain stable for the next year.

REVENUE HISTORY:

<u>FY</u> <u>2002</u>	<u>FY</u> <u>2003</u>	<u>FY</u> <u>2004</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>BUDGETED</u> <u>FY2007</u>	<u>ESTIMATED</u> <u>FY2007</u>	<u>ADOPTED</u> <u>FY2008</u>
376,770	308,452	254,434	376,311	589,441	365,000	405,000	450,000

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APPENDICES

GLOSSARY OF TERMS

ACCOUNTING SYSTEM. The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, fund types, balanced account groups, or organizational components.

ACTIVITY. A specific and distinguishable line of work performed by one or more organizational components of a government for the purpose of accomplishing a function for which the government is responsible. For example, "food inspection" is an activity performed in the discharge of the "health" function.

AD VALOREM TAX. A tax levied on the assessed value of real property. This tax is also known as property tax.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligation for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

AUDIT. A methodical examination of utilization of resources. It concludes in a written report of its findings. An audit is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations.

BOND. A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that a bond runs for a longer period of time and requires greater legal formality. **General Obligation (G.O.) Bonds** are backed by the full faith and credit of the jurisdiction. **Revenue Bonds** are backed by the income-producing potential of a capital project, i.e., municipal parking garage.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modification, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. Types of Budgets: Annual Operating Budget - a budget applicable to a single fiscal year; Capital Budget - a plan of proposed capital outlays and the means of financing them; Capital Program Budget - a plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long term work program or otherwise; and Long-Term Budget - a budget prepared for a period longer than a fiscal year.

BUDGET ADJUSTMENT. Legislative mechanism to allow for funds and department expenditures to exceed their original, beginning year allocation. The authorization becomes effective immediately after passage by City Council.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenue.

BUDGET MESSAGE. A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

CAPITAL OUTLAY. Spending on fixed assets. Generally, such acquisitions cost more than a specified amount. For the City, that amount is \$5,000.

CODING. (Use Finance Dept. Numbers for Example.) A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information. To illustrate the coding of accounts, the number "5102" might be assigned to expenditures made by the Finance Department and the number "5001" might be used to designate expenditures for personnel services. Expenditures for personnel services in the Finance Department would then be designated for posting and other purposes, by the code "5102-5001". Other examples are the numbering of monthly recurring journal entries to indicate the month and nature of the entry and the numbering of invoices or vouchers so that the number reveals the date of entry.

COMPREHENSIVE ANNUAL FINANCIAL REPORT. (CAFR.) The official annual report of a government. It includes five combined statements - Overview (the "lifttable" GPFS) and basic financial statements for each individual fund and account group prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section. Every government should prepare and publish a CAFR as a matter of public record.

CONTINGENCY. An appropriation of funds to cover unforeseen events that occur during the fiscal year.

CURRENT TAXES. Taxes levied and becoming due within one year.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of government include bonds, time warrants, notes, and floating debt. Types of Debt: Bond (See Bond), Note Payable (generally, an unconditional written promise signed by the maker to pay a certain sum in money on demand or at a fixed or determinable time), Time Warrant (a negotiable obligation of a government having a term shorter than bonds and frequently tendered to individuals and firms in exchange for contractual services, capital acquisitions, or equipment purchases), Floating Debt (liabilities other than bonded debt and time warrants, such as account payable), and Long-Term Debt (debt with a maturity of more than one year after the date of issuance).

DEBT LIMIT. The maximum amount of general obligated debt which is legally permitted.

DEBT SERVICE. The payment of principal and interest on borrowed funds such as bonds.

DEFICIT. 1) The excess of the liabilities of a fund over its assets. 2) The excess of expenditures over revenues during an accounting period; or in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES. Taxes remaining unpaid on and after the date on which a penalty for non-payment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, cancelled, paid, or converted into tax liens.

DEPARTMENT. A major division of the City by function performed.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those for water, gas, and electric utilities, and solid waste management.

ENTITY. The basic unit upon which accounting and/or financial reporting activities focus. The basic governmental legal and accounting entity is the individual fund and account group. Under NCGA Statement I, governmental GAAP reporting entities include (a) the Combined Statements-Overview (the "liftable" GPFS), and (b) financial statements of individual funds (which may be presented as columns or combining statements by fund type, or physically separate individual fund statements, or both). The term "entity" is also sometimes used to describe the composition of "the government as a whole" (whether the library is part of the City or a separate government, whether the school system is part of the County or an independent special district, etc.).

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays. Budgetary Expenditures (decreases in net current assets) are limited in amount to exclude amounts represented by non-current liabilities. Conventional Expenditures (decreases in net financial revenues), in contrast to budgetary expenditures, conventional expenditures are not limited in amount to exclude amounts represented by non-current liabilities.

FIDUCIARY FUNDS. Trust and Agency Funds used to account for assets received and held by the City acting in the capacity of an agent or custodian.

FISCAL YEAR. A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operation. The City of Union's fiscal year is July 1 to June 30.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. There are eight generic fund types found in governmental accounting; General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

FUND BALANCE. The fund equity of governmental funds and trust funds.

GENERAL FUND. The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is NCGA Statement 1. Every government should prepare and publish financial statements in conformity with GAAP. The objectives of governmental GAAP financial reports are different from, and much broader than, the objectives of business enterprise GAAP financial reports.

LEVY. (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

MILL. Property tax rate which is based on the valuation of property. A tax rate of 1 mill produces one dollar of taxes on each \$1,000 of property valuation.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund type Spending Measurement Focus. Under it, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

OPERATING BUDGET. A budget for general expenditures such as salaries, utilities and supplies.

OVERHEAD ALLOCATION. Amount paid by the Enterprise Funds to help supplement expenditures made in the General Fund. The percentage of overhead allocation is based on a cost-accounting effort conducted internally in 1995. The Overhead Allocation or contribution to General Fund is based on the theory that numerous General Fund operations are conducted to aid Utility Fund functions. In essence, the Utility Fund "pays" the General Fund for these services. The Overhead Allocation also works much like a franchise fee. Since the Utility Fund is operated like a business, the rationale is that the fund should be obliged to pay a fee to operate within the City, just like any other profit-making business.

PROPERTY TAX. A tax levied on the assessed value of real property. This tax is also known as ad valorem tax.

REVENUES. The income of a government from all sources, appropriated for the payment of the public expenses.

SPECIAL ASSESSMENT. A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SHARED REVENUES. Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments. The Accommodations Tax seen in Union is an example of shared revenue.

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, for example, sewer service charges.

USER FEES. Those amounts received from the public for performance of specific services benefiting the persons charged. User charges function much like prices charged for privately produced goods. There exist two types of user charges. 1) Marginal-cost, multipart charge system that takes into account the varying costs of production and distribution; and 2) Average-cost system that charges the same price per unit regardless of the volume of service consumed or the location of its demand. Union has in place user fees associated with its water and sewer system.

ORDINANCES

STATE OF SOUTH CAROLINA }
COUNTY OF UNION } ORDINANCE
CITY OF UNION }

AN ORDINANCE TO PROVIDE FOR THE ADOPTION OF A BUDGET, ITS REVENUES AND EXPENDITURES FOR FISCAL YEAR 2007-2008.

BE IT ORDAINED by the Mayor and Council of the City of Union, South Carolina, in council meeting duly assembled,

SECTION 1. That the attached Budget, prepared by the Mayor of Union, South Carolina, which is incorporated and adopted herein and made a part hereof as "Exhibit A", be and is hereby adopted and established by the Mayor and Council of the City of Union, as the Budget for the City, for the Fiscal Year of 2007-2008.

SECTION 2. That the Budget shall be for the period beginning July 1, 2007, and ending June 30, 2008, and that said Budget shall be for appropriations and expenditures for the several functions, agencies, and departments, and the legal limit of expenditures, for the City of Union.

SECTION 3. The Mayor shall have authority to transfer funds within any of the above several categories and such transfers shall be entered on the books of account of the City.

SECTION 4. The sums appropriated and set forth in the detailed schedule for personnel services shall be paid in accordance with the Pay Plan adopted by City Council, an official copy of which shall be maintained in the office of the Mayor and in the office of the Finance Director. It is the intention of City Council that salaries set forth in the Classification and Compensation Plan shall be paid bi-weekly. Bi-weekly payments shall be one twenty-sixth (1/26) of the annual salary. The City's Classification and Pay Plan has been incorporated into the budget document and is located in the Personnel Report section of the

Budget document.

SECTION 5.

All sums received by the City of Union from any source whatsoever, unless by law designated for some special fund or purpose, may be used in meeting the disbursements in Section 2. Should the revenue received from all sources exceed the amount estimated, such excess shall be allocated in the appropriate fund, subject to further action of City Council.

SECTION 6.

This Ordinance shall be effective July 1, 2007.

SECTION 7.

This Ordinance supersedes any other inconsistent ordinance.

ORDAINED AND ADOPTED in City Council meeting duly assembled
this 19th day of June 2007.


E. Bruce Morgan - Mayor

ATTEST:


Gloria Rogers - Municipal Clerk

1st Reading 5-15-2007

2nd Reading 6-19-2007

STATE OF SOUTH CAROLINA }
COUNTY OF UNION } ORDINANCE
CITY OF UNION }

AN ORDINANCE TO SET THE TAX LEVY FOR THE CITY OF UNION, SOUTH CAROLINA FOR FISCAL YEAR 2007-2008.

BE IT ORDAINED by the Mayor and City Council of the City of Union, South Carolina, in council meeting duly assembled,

SECTION 1. That in the laws of the State of South Carolina, and the Codes of the City of Union, South Carolina, for the purpose of defraying all expenses, the paying of interest on outstanding bonded debt and for the principal due on outstanding bonds as they mature, from the First Day of July, 2007, through the Thirtieth Day of June, 2008, and for other proper corporate purposes, there being, and is hereby imposed and levied and shall hereinafter be collected, the following taxes:

SECTION 2. That there shall be paid on each ONE HUNDRED AND NO/100 DOLLARS (\$100.00) of assessed value of all real estate and personal property on which this Municipal Corporation is authorized or empowered by law to impose a tax in the City of Union and in proportion on less than ONE HUNDRED AND NO/100 DOLLARS (\$100.00) in value, the following amounts:

GENERAL FUND OPERATION PURPOSES : . . .
AND FOR DEBT RETIREMENT

Seventy-Four and 30/100 (74.3) mills on each One Hundred Dollars (\$100.00) of assessed value, which will produce Seven Dollars and 43/100 (\$7.43) of taxes for each One Hundred Dollars (\$100.00) of assessed valuation.

Should amount above levied exceed the amount received, such excess shall remain in the General Fund to be used as the City Council may direct.

SECTION 3. That when the taxes and assessments or any portion thereof charged against any property or person on

the duplicate for the current fiscal year are not paid before January 16, 2008, or thirty (30) days after the mailing of the tax notices, whichever occurs later, the Tax Collector shall add a penalty of three percent (3%) on the City duplicate, and the Tax Collector shall collect the penalty; and if the taxes, assessments, and penalty are not paid before February 2, 2008, an additional penalty of Seven 7 percent (7%) must be added by the Tax Collector on the City duplicate and collected by the Tax Collector; and if the taxes, assessments and penalties are not paid before March 17, 2008, an additional penalty of five percent (5%) must be added by the Tax Collector on the duplicate, and collected by the Tax Collector; and, if taxes, assessments, and penalties are not paid before July 1, 2008, the Tax Collector shall issue his Tax Execution. The United States postmark is the determining date for mailed payments.

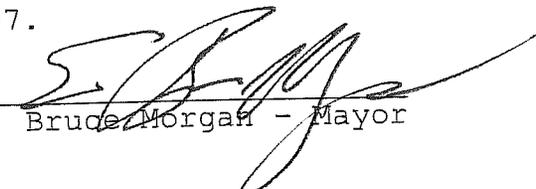
SECTION 4.

On assessments received late from the Union County Auditor's office, or from the Tax Commission, the same payment privileges shall be allowed as provided in the Ordinance to set the Tax Levy for the current year.

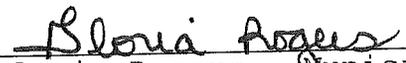
SECTION 5.

This Ordinance shall be effective July 1, 2007, and supersedes any other inconsistent ordinances.

ORDAINED AND ADOPTED in City Council meeting duly assembled
this 19th day of June 2007.


E. Bruce Morgan - Mayor

ATTEST:


Gloria Rogers - Municipal Clerk

1st Reading 5-15-2007

2nd Reading 6-19-2007