



PARKER SEWER & FIRE SUBDISTRICT

OPERATING & CAPITAL BUDGET
Fiscal Year 2017-2018

Effective July 1, 2017

September 19, 2017



Parker Sewer and Fire Subdistrict

BUDGET

OPERATING & CAPITAL

Fiscal Year 2017-2018



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BUDGET MESSAGE

The Fiscal Year 2017-2018 Annual Budget is hereby submitted to for review and approval by the Parker Sewer & Fire Subdistrict Commission. This budget includes the General Fund, the Rehabilitation Fund, and a Capital Improvement Plan. This budget was developed with extensive support and policy input from the elected leadership of the District, as well as senior members of the District staff.

Planning for FY 2017-2018 was is significant challenge for the District staff due to the need to achieve major progress in the sewer rehabilitation program and to address the needs to replace aging firefighting apparatus. Much of this work has been deferred due to the economic situation in the District for several years. This year, the District has recognized the need to address these pressing situations and has developed the Capital Improvement Plan (CIP) contained within this budget document. It is recognized that the CIP is a 'living document' and will be re-visited annually for review and revision as necessary.

The District issued \$8.56 million dollars in tax-exempt revenue bonds in May, 2017. Proceeds from this bond issue are dedicated to sewer rehabilitation activities. Bond payments will be funded by the Rehabilitation Fund, a special revenue fund legally restricted for this purpose.

General Fund Summary

The General Fund has experience steady growth in recent years, due to a strong local economy. The General Fund relies upon property taxes, including real property and vehicle taxes, as well as several other tax sources. Other miscellaneous revenue sources include sewer permit fees and accident response fees.

Significant highlights of the General Fund Budget include:

- For a second consecutive year, the District's self-funded employee and retiree health insurance program has undergone major revision. Dental and vision coverage was moved to private insurance programs, while medical and prescription drug coverage continues to be self-funded. It is anticipated that these revisions will allow the District to maintain current benefit levels while reducing costs.

- Parker District participates in the state-sponsored retirement programs offered by the South Carolina Public Employee Benefit Association (PEBA). Effective July 1, 2017, PEBA raised the employee and employer contributions for retirement plans by one percent. The District must now contribute 12.56% of the total wages for 40 hour employees and 15.24% of the total wages for firefighters. The employer contribution is scheduled to increase one percent each year until July 1, 2022.
- The formula for determining the hourly wage of firefighters was revised to reflect current regulations in this field. This is anticipated to increase overall wages for firefighters by approximately six percent.
- Both Fire and Waste Water Collection departments have significant capital equipment needs. Parker District will take delivery of two new fire trucks this year; it is anticipated that the District will issue approximately \$1.9 million dollars of debt for this expenditure. Waste Water Collection department has several vehicles and construction equipment items that are over 20 years old and are well beyond their useful lives. Funds for Waste Water equipment will be appropriated from the General Fund cash flow.
- The South Carolina General Assembly changed the revenue-sharing formula for manufacturing inventory taxes, which resulted in a revenue reduction of approximately \$120,000 annually. This reduction was implemented in FY 16-17, after the budget had been adopted.

Due to the unfunded mandates handed down by the State legislature and the pressing capital needs, the Parker District Commission approved a property tax increase of 7.0 mils, effective July 1, 2017. This is anticipated to increase revenue by \$759,850.00 in FY 17-18. This additional revenue will be used to offset the tax revenue diverted by the State, the additional pension contributions mandated by the State, the adjustments to firefighter salaries, and the deferred capital equipment investments.

Rehabilitation Fund Summary

The Rehabilitation Fund is a Special Revenue Fund. It is funded by a special fee assessment for parcels within the areas of the District served by the sanitary sewer

system. Fees are based upon land use(s) and vary by parcel. Rehabilitation fees are legally dedicated for purposes directly related to the rehabilitation of the Parker District waste water collection system and restoring the system to regulatory compliance. Rehabilitation fees have displayed steady growth in recent years as the District has benefitted from the overall strong, growth-oriented economy of Greenville County.

Significant highlights of the Special Revenue (Rehabilitation) Fund Budget include:

- The District issued \$8.56 million in revenue bonds in FY 2016-2017, secured by the Rehabilitation Fee revenue stream. The bonds were issued for a 30 year term at an average coupon of 3.65%. Bond proceeds will be used primarily to fund engineering and construction activities on the waste water collection system.
- The District will continue to pursue an aggressive in-house 'pay-as-you-go' (PAYGO) program of rehabilitation of smaller, localized segments of the collection system.
- The District entered a tax-exempt Master Lease/Purchase Agreement on June 27, 2016, immediately prior to FY 2016-2017. This agreement provided \$1.531 million in proceeds at an interest rate of 1.22%, and will be used for capital equipment purchases necessary to expedite the District's rehabilitation plan. This bond will be repaid from proceeds to the Rehabilitation Fund, as appropriated by the District Commission, and will be retired on July 1, 2019. The District has not yet appropriated all of the proceeds of this bond.

Respectfully submitted,

Boyd Leopard,
WWCS Superintendent/Acting Fleet Maintenance Superintendent

Chief Steve Alverson,
Parker District Fire Department

Jeff DeWitt,
Financial Administrator

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**PARKER SEWER AND FIRE SUBDISTRICT
REVENUE LINE ITEM DETAIL
GENERAL FUND - 2017/2018**

	AMENDED			17/18 Budget
	14/15 Actual	15/16 Actual	16/17 Budget	
PROPERTY TAXES				
0400210 - PROPERTY TAXES	8,826,909	8,943,904	7,910,005	10,090,924
TOTAL PROPERTY TAXES	\$8,826,909	\$8,943,904	\$7,910,005	\$10,090,924
OTHER TAXES				
0400210 - MERCHANT INVENTORY TAX	183,970	\$ 183,970	64,000	64,000
0400210 - STATE REIMBUR. MFG. DEP. TAX	131,660	111,408	69,863	120,000
0400210 - COUNTY UTILITY RIGHT OF WAY	4,051	29,830	25,000	15,000
0400210 - MOTOR CARRIERS TAX	12,848	15,209	16,000	17,000
TOTAL OTHER TAXES	\$332,528	\$340,417	\$174,863	\$216,000
OTHER REVENUE				
0400212 - HEALTH INSURANCE PREMIUMS	200,000	361,938	226,847	225,000
0400217 - LIFE INSURANCE SURRENDER	0	1,118	0	0
0400231 - ACCIDENT/RESPONSE FEE	33,508	9,773	27,982	35,000
0400300 - INTEREST EARNED	9,915	24,843	41,712	25,000
0400321 - FIRE GRANT				
0400400 - WASTEWATER (COMM) FEE	NA	40,700	21,500	75,000
0400410 - WASTEWATER (RES) FEE	NA	25,275	24,750	
0400420 - WASTEWATER REINSPECTION FEE	NA	10,225	7,875	
Sub-Total: WASTEWATER PERMIT FEES:	36,627	76,200	54,125	75,000
0400425 - WWCSA NEW ACCOUNT FEE	26,750	19,875	17,625	25,000
0400440 - FINES AND PENALTIES		0		
0400600 - SALE OF ASSETS	1,263	9,797	0	2,500
0400610 - CITY OF GREENVILLE - ANNEX	30,000	30,839	31,960	32,000
0400700 - MISCELLANEOUS REVENUE	69,434	13,562	12,725	5,000
0400800 - PURCHASE DISCOUNT	372	207	86	200
SUB-TOTAL, OTHER REVENUE	\$ 407,869	\$ 624,352	\$ 467,187	\$ 424,700
INTERFUND TRANSFERS (Rehab Fund)	\$ 441,000	\$ 441,000	\$ 441,000	\$ 441,000
TOTAL OTHER REVENUE	\$848,869	\$1,065,352	\$908,187	\$865,700
TOTAL REVENUES	\$10,008,306	\$10,349,672	\$8,993,055	\$11,172,624

**PARKER SEWER & FIRE DISTRICT
GENERAL FUND BUDGET SUMMARY
FY 2017-2018**

	ORIGINAL 2016-2017 Budget	AMENDED 2016-2017 Budget	2017-2018 Budget
PROPOSED REVENUE 2017-2018			
Tax Millage Yield	\$ 9,150,000	\$ 8,968,259	\$ 10,250,000
Other Taxes	\$ 364,000	\$ 242,000	\$ 216,000
Other Revenue	\$ 383,520	\$ 380,160	\$ 424,700
Transfers In	\$ -	\$ 441,000	\$ 441,000
TOTAL PROPOSED REVENUE 2017-2018	\$ 9,897,520	\$ 10,031,419	\$ 11,331,700
PROPOSED GENERAL EXPENSES 2017-2018			
Employee Benefits (health & life ins. SC Retirem PORS, Social Security)	\$ 3,140,963	\$ 3,140,963	\$ 3,214,172
Professional Fees/Commission Expenses	\$ 32,135	\$ 32,135	\$ 30,135
District Insurance	\$ 334,488	\$ 334,488	\$ 360,812
Salaries	\$ 4,737,033	\$ 4,737,033	\$ 5,034,705
Operating Expenses	\$ 1,389,789	\$ 1,389,789	\$ 1,550,715
Transfers Out (Retirements Funding, Capital Asset Account)	\$ 44,984	\$ 44,984	\$ 99,000
TOTAL PROPOSED GENERAL EXPENSES 2017-2018	\$ 9,679,392	\$ 9,679,392	\$ 10,289,538
PROPOSED CAPITAL IMPROVEMENTS 2017-2018			
Financial Administration Department	\$ -	\$ -	\$ 20,000
Fire Department	\$ 265,500	\$ 785,800	\$ 50,000
Wastewater Collections	\$ 206,000	\$ 206,000	\$ 152,600
Fleet Maintenance	\$ 15,000	\$ 15,000	\$ -
TOTAL CAPITAL IMPROVEMENT ITEMS 2017-2018	\$ 486,500	\$ 1,006,800	\$ 222,600
PROPOSED DEBT SERVICE 2017-2018			
Financial Administration Department	\$ -	\$ -	\$ -
Fire Department Debt Service	\$ 385,995	\$ 385,995	\$ 391,526
Wastewater Collections	\$ -	\$ -	\$ -
Fleet Maintenance	\$ -	\$ -	\$ -
TOTAL PROPOSED DEBT SERVICE 2017-2018	\$ 385,995	\$ 385,995	\$ 391,526
TOTAL PROPOSED EXPENSES 2017-2018	\$ 10,551,887	\$ 11,072,187	\$ 10,903,664
UNALLOCATED FUND BALANCE			\$ 428,036
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (1,174,651)	\$ (1,040,752)	\$ -
PROJECTED FUND BALANCE, JUNE 30, 2017	\$ 6,216,316	\$ 6,350,215	\$ 6,525,000
REQUIRED CARRYOVER UNTIL JAN. 15, 2018	\$ 5,334,562	\$ 5,412,223	\$ 6,200,000
FUND SURPLUS (DEFICIT)	\$ 881,754	\$ 937,992	\$ 325,000

SUMMARY OF ESTIMATED CHANGES IN GENERAL FUND BALANCE

	GENERAL OPERATING FUND		
	ORIGINAL 2016-2017	AMENDED 2016-2017	2017-2018
Beginning Fund Balance, July 1st	7,390,967	\$ 7,390,967	\$ 6,523,519
REVENUES			
Property Taxes	9,150,000	8,968,259	10,090,924
Other Taxes	364,000	242,000	216,000
Other Revenue	383,520	380,160	424,700
TOTAL REVENUES	9,897,520	\$ 9,590,419	\$ 10,731,624
EXPENDITURES			
Administration Department	3,751,359	3,751,359	3,835,767
Fire Department	4,967,921	4,967,921	4,512,298
Waste Water Collection Department	1,694,689	1,694,689	1,818,099
Fleet Maintenance Department	613,218	613,218	638,500
TOTAL EXPENDITURES	11,027,187	\$ 11,027,187	\$ 10,804,664
Other Financing Sources (Transfers In)			
Transfers In (Rehab Reimbursements)	0	441,000	441,000
TOTAL OTHER FINANCING SOURCES (TRANSFERS IN)	0	\$ 441,000	\$ 441,000
Other Financing Sources (Transfers Out)			
Transfers Out (Accrued PTO Fund)	44,984	44,984	99,000
TOTAL OTHER FINANCING SOURCES (TRANSFERS OUT)	44,984	\$ 44,984	\$ 99,000
Total Available Funding Sources	9,897,520	10,031,419	11,172,624
Total Appropriations	11,072,171	11,072,171	10,903,664
Net Increase (Decrease) in Fund Balance	(1,174,651)	\$ (1,040,752)	\$ 268,960
Projected Ending Fund Balance, June 30, 2018	6,216,316	\$ 6,350,215	\$ 6,792,479
ASSIGNED FUND BALANCE	\$ 5,334,562	\$ 5,412,223	\$ 6,480,122
(58% of revenues assigned for general operations, July 1, 2018 until January 15, 2019)			
Projected Ending Fund Balance, Minus Assigned Fund Balance	881,754	\$ 937,992	\$ 312,357

**PARKER DISTRICT VALUATION
COUNTY AUDITOR REPORT**

	Millage Valuation	
	2017	2018*
Total Valuation:	\$ 107,329,009	\$ 108,549,568
Value of One (1) Mil:	\$ 107,329	\$ 108,550
Total Millage:	82.60	82.60
Total General Fund (Base) Millage:	\$ 80.00	\$ 87.00
Total General Fund (Base) Millage Yield:	\$ 8,586,320	\$ 9,443,850
Total Lease Payment Millage:	\$ 2.60	\$ 2.60
Total Lease Payment Millage Yield:	\$ 279,055	\$ 282,230
Total Millage Yield	\$ 8,865,375	\$ 9,726,080

*2018 millage values are based upon *unofficial* estimates provided in April 2017 by the Office of the Greenville County Auditor.

PERSONNEL AUTHORIZATIONS

Parker District currently operates with 116.5 Full Time Equivalent (FTE) employees. The current employee-to-resident ratio is approximately 1 employee for every 343 residents.

Each position is carefully reviewed to make sure that it falls within the financial restrictions of the organization and also within the overall goals and objectives of the District. Staffing changes proposed for FY 2017-2018 include:

FIRE DEPARTMENT ADDITIONS:

The position of "Assistant Fire Chief" is currently vacant; it is not anticipated that this position will be filled during the upcoming budget year.

- Fire Inspector (FT)
- Administrative Support (PT - 20 hrs/week)

WASTEWATER COLLECTION ADDITIONS:

- 1 Senior Technical Position - (funded from the Rehab Fund). This is a new position for Parker District. This person will be responsible for day-to-day management of all sub-contracted rehabilitation work.
- 2 Utility Techs (funded from the Rehab Fund)

FINANCIAL ADMINISTRATION ADDITION:

- Financial Administrative Assistant - The Financial Administration Department proposes to expand the current part-time administrative position to a full-time position, for a total of two full-time administrative positions. Final approval is contingent upon a planned increase in Departmental responsibilities

FLEET MAINTENANCE: No changes currently anticipated.

Personnel Overview	14/15	15/16	16/17	17/18
Fire Department				
Fire Chief	1	1	1	1
Technical & Support Staff	7	7	7	7.5
Line Suppression Staff	72	72	72	72
DEPARTMENT TOTAL				80.5
Waste Water Collection Department				
Superintendent	1	1	1	1
Admin/Technical Staff	4	4	6	7
Maintenance Staff	19	20	20	22
DEPARTMENT TOTAL				30
Fleet Maintenance Department				
Chief Mechanic/Supervisor	1	1	1	1
Line Mechanic	1	2	2	2
DEPARTMENT TOTAL				3
Financial Administration				
Financial Administrator	1	1	1	1
Financial Administrative Assistant	1	1	1.5	2
DEPARTMENT TOTAL				3
TOTAL ORGANIZATION	108	110	112.5	116.5

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PARKER SEWER AND FIRE SUB-DISTRICT 2017/2018 LINE ITEM DETAIL BUDGET	51-Financial Administration		
	AMENDED 2016-2017 BUDGET	2017-2018 BUDGET	% Change
<u>SALARIES AND BENEFITS</u>			
0515001 - FINANCIAL ADMINISTRATOR (1)	56,000	52,000	-7.14%
0515002 - FINANCIAL ADMIN STAFF (2)	60,000	64,000	6.67%
TOTAL SALARIES	116,000	116,000	0.00%
0511002 - LIFE INSURANCE	15,801	16,000	1.26%
0511003 - S.C. RETIREMENT - SCRS	177,787	\$197,541	11.11%
0511003 - S.C. RETIREMENT - PORS	452,413	\$524,321	15.89%
0511004 - FICA EXPENSE	363,148	\$385,920	6.27%
0511005 - UNEMPLOYMENT INS.	0	\$0	
0511001 - HEALTH INSURANCE	2,131,814	\$2,090,589	-1.93%
TOTAL BENEFITS	3,140,963	3,214,371	2.34%
<u>PROFESSIONAL SERVICES</u>			
0513001 - ATTORNEY FEES	15,000	10,000	-33.33%
0513002 - AUDITOR FEES	7,000	10,000	42.86%
TOTAL PROFESSIONAL SERVICES	22,000	20,000	-9.09%
<u>COMMISSION EXPENSES</u>			
0514002 - COMMISSION PER DIEM	10,000	10,000	0.00%
0514004 - COMMISSION/GCSPD DUES	135	135	0.00%
TOTAL COMMISSION EXPENSES	10,135	10,135	0.00%
<u>DISTRICT INSURANCE</u>			
0512001 - PROPERTY, CASUALTY, & LIABILITY	76,673	90,000	17.38%
0512003 - WORKER'S COMP. INS	257,820	270,812	5.04%
TOTAL INSURANCE	334,493	360,812	7.87%

OPERATING EXPENDITURES			
0516000 - ELECTRICITY	7,750	7,905	2.00%
0516200 - WATER/WASTE WATER	800	816	2.00%
0516300 - TELEPHONE	3,950	4,030	2.03%
0516400 - NATURAL GAS	1,200	1,224	2.00%
0516500 - SERVICE CONTRACTS	36,000	36,720	2.00%
0516501 - DATA PERIODICALS	3,650	3,725	2.05%
0516502 - FEES/ASSESSMENTS	5,000	5,100	2.00%
0516503 - CLEANING/SUPPLIES	500	510	2.00%
0516504 - GENERAL OFFICE SUPPLIES	2,800	2,860	2.14%
0516505 - AWARDS/RECOGNITION	10,473	10,700	2.17%
0516506 - NEWSPAPER ADS/NOTICE	1,200	1,224	2.00%
0516507 - OFFICE EQUIPMENT	2,500	2,550	2.00%
0516508 - COMPUTER SOFTWARE/MAINT.	9,500	9,690	2.00%
0516510 - FLOWERS	200	300	50.00%
0516514 - EMPLOYEE TRNG & DEV	2,500	1,900	-24.00%
0516525 - CERTIFICATION/INSPECTIONS	250	255	2.00%
0516530 - BLDG/YARD MAINT.	10,000	4,940	-50.60%
TOTAL OPERATING EXPENDITURES	98,273	94,449	-3.89%
CAPITAL PROGRAMS (GENERAL FUND)			
CARPET FOR ADMIN BUILDING		20,000	
TOTAL CAPITAL EXPENDITURES	0	20,000	
TOTAL DEBT SERVICE	0	-	
DEPARTMENT TOTALS	\$ 3,721,864	\$ 3,835,767	3.06%

Administration Department - 51

0511001 Health Insurance Program - Medical, dental prescription drugs, and vision insurance for current and retired employees. Estimated annual budget changes are the result of changes in the health care plan. The health care program will be revamped for FY 17-18, with a national insurance consultant providing guidance on the program structure and costs. Fixed-costs have been reduced significantly and the dental and vision coverage has been outsourced to private insurance firms.

0511003 Retirement - Cost for all eligible current employees participating in the S.C. Public Employee Benefit Authority (PEBA). Amounts are based on PEBA salaries and respective PEBA rates. Beginning FY 16-17, eligible Fire Department employees began participating in the Police Officers Retirement System (PORS), while all other employees are members of the South Carolina Retirement System (SCRS). Each of these plans is administered by PEBA. Due to the Pension Reform Act passed by the South Carolina General Assembly, employer rates will increase by 1% in FY 2017-18 and 1% each year for the next 5 years. FY 2017-2018 rates are: Employer contribution 13.41%, Incidental Death Benefit .15% for a total of 12.56%. PORS costs

for FY 2017-2018 are: Employer contribution 15.84%, Incidental & Accidental Death Benefits of .20% each, for a total of 15.24%.

0512000 Property, Casualty & Liability Insurance - the District has moved all PC&L insurance to a private carrier in an effort to increase benefits and reduce costs. the private insurer bills for a lump sum, which makes it difficult to compare individual policy costs with those of the former insurance carrier.

0512003 Workers' Compensation Insurance - Funds for the purchase of insurance for potential on-the-job related injuries. Parker District moved its coverage to a private carrier in FY 2016-2017 in an effort to increase benefits and reduce costs. Parker District's Experience Modification Factor decreased during FY 16-17, but the premium increased due to an overall increase in the payroll.

0516503 Cleaning/Station Supplies - Funds for maintaining supplies; paper productions, hand soap, etc. for the Administration building.

0516530 Building/Yard Maintenance - Funds for the care and preservation of District buildings and land. Costs are reduced by Parker District personnel from the Fire Department and WWCS Department taking on much of the routine lawn and building maintenance.

For a description of other line items, please see "General Line Item Descriptions" tab.

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PARKER SEWER AND FIRE SUB-DISTRICT 2017/2018 LINE ITEM DETAIL BUDGET	52- Fire Department		
	AMENDED 2016- 2017 BUDGET	2017-2018 BUDGET	% Change
SALARIES AND BENEFITS			
051 5003 - FIRE CHIEF (1)	65,620	65,620	0.00%
051 5005 - DISPATCHERS (4)	188,290	127,876	-32.09%
051 5005 - STAFF PERSONNEL (3)	100,000	124,291	24.29%
051 5006 - LINE PERSONNEL (72)	2,881,886	3,067,156	6.43%
051 5006 - HOLIDAY BONUS	82,695	137,862	66.71%
051 5013 - OVERTIME PAY	66,935	65,000	-2.89%
TOTAL SALARIES	\$ 3,385,426	\$ 3,587,806	5.98%
OPERATING EXPENDITURES			
0516000 - ELECTRICITY	39,690	39,832	0.36%
0516200 - WATER/WASTE WATER	11,400	11,949	4.82%
0516300 - TELEPHONE	23,200	26,479	14.13%
0516400 - NATURAL GAS	12,380	12,573	1.56%
0516500 - SERVICE CONTRACTS	15,500	28,743	85.44%
0516501 - DATA PERIODICALS	-	-	
0516503 - CLEANING/SUPPLIES	12,375	18,552	49.92%
0516504 - GENERAL OFFICE SUPPLIES	6,650	8,353	25.61%
0516506 - NEWSPAPER ADS/NOTICE	200	400	100.00%
0516508 - COMPUTER SOFTWARE/MAINT.	17,850	14,350	-19.61%
0516511 - PHYSICAL & FITNESS PROGRAM	23,840	28,800	20.81%
0516514 - EMPLOYEE TRNG & DEV	22,450	47,075	109.69%
0516515 - FIRE PREV. - SAFETY EDUCATION	5,650	7,250	28.32%
0516516 - FIRE FIGHTING CLOTHES	72,960	67,400	-7.62%
0516517 - UNIFORMS	31,925	33,910	6.22%
0516518 - EQUIPMENT -FIRE/SHOP/SAFETY	41,000	43,600	6.34%
0516519 - RADIO-MAINT/EQUIPMENT	18,300	17,700	-3.28%
0516523 - SCBA MAINTENANCE	9,500	11,990	26.21%
0516524 - SPECIAL SUPPLIES	-	-	
0516525 - CERTIFICATION/INSPECTIONS	9,800	11,030	
0516527 - DEDUCTIBLE DAMAGES	1,000	800	-20.00%
0516530 - BLDG/YARD MAINT.	26,250	46,250	76.19%
0516531 - EQUIPMENT MAINTENANCE	1,250	2,000	60.00%
0516533 - ARSON K-9	6,730	3,130	-53.49%
0521000 - GAS & DIESEL			
0522003 - VEHICLE MAINTENANCE	800	800	0.00%
TOTAL OPERATING EXPENDITURES	\$ 410,700	\$ 482,966	17.60%

TOTAL OPERATING EXPENDITURES	\$ 410,700	\$ 482,966	17.60%
CAPITAL PROGRAMS (GENERAL FUND)			
FIRE CHIEF VEHICLE	35,000	40,000	14.29%
LAWN MAINTENANCE EQUIPMENT	14,500		-100.00%
EXTRICATION EQUIPMENT	27,000	10,000	
LEASE/PURCHASE, NEW PUMPER	189,000		
2016 KME PUMPER	520,300		
Rescue Truck Re-Build/Cab & Chassis	189,000		
TOTAL CAPITAL EXPENDITURES	\$ 974,800	\$ 50,000	-94.87%
DEBT SERVICE (GENERAL FUND)			
Station #1	248,600	254,131	2.22%
2014 E-ONE TYPHOON PUMPER	137,395	137,395	0.00%
TOTAL DEBT SERVICE	\$ 385,995	\$ 391,526	1.43%
DEPARTMENT TOTALS	\$ 5,156,921	\$ 4,512,298	-12.50%

Fire Department – 52

0515000 Salaries – The salary budget has been configured differently due to changes in the salary structure for hourly personnel. Also, Dispatchers are not eligible to participate in PORS; therefore, these wages must be separated for purposes of calculating retirement costs under SCRS.

0516500 Service Contracts - Funds for service contracts for the District. Contract labor for dispatch is included in this category.

0516508 Computer Software & Programs - Funds for annual hardware and/or software maintenance. Decrease due to removal of dispatch console upgrades.

0516511 Physical & Fitness – For medical examinations and employee fitness programs. Increase due to cost of annual physicals

0516515 Fire Prevention/Safety – Funds for educational materials. Increase due to prevention and educational supplies.

0516516 Firefighting Clothes – Decrease due to equipment purchases in FY 16-17.

0516518 Equipment – Fire/Shop/Safety – Increased due to acquisition of confined space rescue equipment and replacement of worn out fire hose.

0516530 Building/Yard Maintenance – Funds for the care and preservation of District buildings and land. Increase attributed to overall increase in building maintenance. A major projected expense is a special washing machine and dryer for personal protective equipment (PPE, or ‘turnout gear’) used during interior firefighting operations.

0516533 Arson K-9 – Funds for the upkeep of the District’s Arson K-9. Decrease due to cost associated with new vehicle in previous year.

0550002 New Station Reserve Account – Lease payment of Fire Station #1 principle and interest payment \$254,131. Fiscal Year 2018 is payment 6 of 12 with a remaining principal balance of \$1,785,000.00. The lease/purchase will be completed in Fiscal Year 2024.

0550012 Lease Payment: 2014 E-One Fire Engine principle and interest payment \$131,977.00. Fiscal 2018 will be the last payment owed on the vehicle.

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PARKER SEWER AND FIRE SUB-DISTRICT 2017/2018 LINE ITEM DETAIL BUDGET	53- Waste Water Collection		
	ORIGINAL 2016-2017 BUDGET	2017-2018 BUDGET	% Change
SALARIES AND BENEFITS			
0515007 - SUPERINTENDENT (1)	64,500	64,500	0.00%
0515008 - WWCS ADMIN/TECHNICAL STAFF (6)	253,724	296,104	16.70%
0515009 - MAINTENANCE STAFF (22)	733,965	804,295	9.58%
0515013 - OVERTIME PAY	25,000	40,000	60.00%
TOTAL SALARIES	1,077,189	1,204,899	11.86%
OPERATING EXPENDITURES			
0516000 - ELECTRICITY	12,500	15,000	20.00%
0516200 - WATER/WASTE WATER	6,500	8,000	23.08%
0516300 - TELEPHONE	27,000	32,000	18.52%
0516400 - NATURAL GAS	1,900	1,900	0.00%
0516500 - SERVICE CONTRACTS	40,000	70,000	75.00%
0516501 - DATA PERIODICALS	200	200	0.00%
0516503 - CLEANING/SUPPLIES	12,000	13,000	8.33%
0516504 - GENERAL OFFICE SUPPLIES	13,000	13,000	0.00%
0516506 - NEWSPAPER ADS/NOTICE	1,000	1,000	0.00%
0516508 - COMPUTER SOFTWARE/MAINT.	30,000	25,000	-16.67%
0516511 - PHYSICAL & FITNESS PROGRAM	13,000	15,000	15.38%
0516514 - EMPLOYEE TRNG & DEV	15,000	20,000	33.33%
0516517 - UNIFORMS	28,000	25,000	-10.71%
0516518 - EQUIPMENT -FIRE/SHOP/SAFETY	38,000	35,000	-7.89%
0516520 - EQUIPMENT RENTAL	5,000	5,000	0.00%
0516522 - MAINTENANCE MATERIALS	85,000	85,000	0.00%
0516524 - SPECIAL SUPPLIES	14,000	16,000	14.29%
0516525 - CERTIFICATION/INSPECTIONS	2,400	2,500	4.17%
0516526 - PUMP STATIONS	12,000	15,000	25.00%
0516527 - DEDUCTIBLE DAMAGES	10,000	10,000	0.00%
0516528 - PROFESSIONAL SERVICES	15,000	17,000	13.33%
0516530 - BLDG/YARD MAINT.	18,000	18,000	0.00%
0516531 - EQUIPMENT MAINTENANCE	9,000	15,000	66.67%
0522003 - VEHICLE MAINTENANCE	3,000	3,000	0.00%
TOTAL OPERATING EXPENDITURES	411,500	460,600	11.93%

CAPITAL PROGRAMS (GENERAL FUND)			
4 WHEEL DRIVE SERVICE TRUCK	31,000		
5% OF LEASE/PURCHASE EQUIPMENT COST	150,000		
MANHOLE SHORING BOX (Not used in 15/16)	25,000		
22 Ton Air Brake Trailer	5,792		
ASPHALT PAVING FOR OPERATIONS			
ROOF FOR OPERATIONS (SEALANT)			
LED FOR OPERATIONS BUILDING			
ZERO TURN MOWER		5,600	
TAP MACHINE		11,000	
ENCLOSED TRACTOR FOR BUSH HOGGING		71,000	
ASPHALT ROLLER		25,000	
VEHICLE FOR ADMINISTRATION		40,000	
TOTAL CAPITAL EXPENDITURES (GENERAL FUND)	211,792	152,600	
DEBT SERVICE (GENERAL FUND)			
TOTAL DEBT SERVICE (General Fund)	-	-	
DEPARTMENT TOTALS (General Fund)	1,700,481	1,818,099	6.92%

Wastewater Collections System - 53

- 0516500 Service Contracts - Funds for service contracts for the District. Increase attributed to a temporary position \$36,500.00.
- 0516508 Computer Software and Maintenance - Costs are expected to decrease somewhat upon full implementation of the CityWorks™ asset management system.
- 0516514 Employee Training & Development - Cost for Commercial Driver License (CDL) training is anticipated to increase due to new federal regulations. Position related specialized training, i.e. CCTV Camera Repair training for two personnel.
- 0516518 Equipment - Fire/Shop/Safety - Funds for the purchase of equipment, tools, and safety supplies. Increase attributed to overall rising cost of materials and safety material need to be in compliance with Federal and local government.
- 0516522 Maintenance Materials - Increase attributed to the overall rising cost of materials.
- 0516525 Certification/Inspections - Funds for VCC recertification, Pump Station recertification.
- 0516526 Pump Stations - Replacement of pump, motors and piping for wet well.
- 0516528 Professional Services - Greenville County Land Fill fees added.

PARKER SEWER AND FIRE SUB-DISTRICT 2017/2018 LINE ITEM DETAIL BUDGET	54-Fleet Maintenance		
	2016-2017 BUDGET	2017-2018 BUDGET	% CHANGE
SALARIES AND BENEFITS			
0515011 - CHIEF MECHANIC (1)	47,840	43,000	-10.12%
0516012 - MECHANIC (1)	42,578	43,000	0.99%
0516012 - MECHANIC (1) REHAB	35,000	34,000	-2.86%
0515013 - OVERTIME PAY	3,500	6,000	71.43%
TOTAL SALARIES	128,918	126,000	-2.26%
OPERATING EXPENDITURES			
0516000 - ELECTRICITY	4,200	4,200	0.00%
0516200 - WATER/WASTE WATER	1,500	1,500	0.00%
0516300 - TELEPHONE	4,000	4,000	0.00%
0516400 - NATURAL GAS	1,300	1,500	15.38%
0516500 - SERVICE CONTRACTS	11,000	11,000	0.00%
0516503 - CLEANING/SUPPLIES	3,500	3,500	0.00%
0516504 - GENERAL OFFICE SUPPLIES	2,500	2,500	0.00%
0516508 - COMPUTER SOFTWARE/MAINT.	15,000	15,000	0.00%
0516511 - PHYSICAL & FITNESS PROGRAM	2,000	2,000	0.00%
0516514 - EMPLOYEE TRNG & DEV	10,000	20,000	100.00%
0516517 - UNIFORMS	1,800	1,800	0.00%
0516518 - EQUIPMENT -FIRE/SHOP/SAFETY	20,000	40,000	100.00%
0516520 - EQUIPMENT RENTAL	500	500	0.00%
0516525 - CERTIFICATION/INSPECTIONS	1,000	1,000	0.00%
0516530 - BLDG/YARD MAINT.	30,000	30,000	0.00%
0516531 - EQUIPMENT MAINTENANCE	2,000	5,000	150.00%
0516532 - SHOP SUPPLIES	24,000	24,000	0.00%
0521000 - GASOLINE & DIESEL	95,000	95,000	0.00%
0522004 - PARTS PURCHASED	240,000	100,000	-58.33%
0522005 - OUTSOURCED SERVICE		100,000	
0522006 - TIRES & SERVICE		50,000	
TOTAL OPERATING EXPENDITURES	469,300	512,500	9.21%
CAPITAL PROGRAMS (GENERAL FUND)			
COMPUTER DIAGNOSTIC EQUIPMENT	15,000		-100.00%
HEAVY DUTY VEHICLE LIFT POSTS (Upgrade)	6,000		-100.00%
TOTAL CAPITAL EXPENDITURES	21,000	-	-100.00%
TOTAL DEBT SERVICE	-	-	
DEPARTMENT TOTALS	619,218	638,500	3.11%

Fleet Maintenance – 54

- 0516500 Service Contracts - Funds for service contracts for the District. Increase attributed to the contract for parts washer, Crystal Clean. Due to EPA regulations on proper disposal of liquid it's more advantageous to the District to contract a parts washer.
- 0516508 Computer Software/Maintenance – Increased funding for computer software and maintenance used to cover the purchase price of laptop and accompanying software. New laptop allows for on-site diagnostics and data collection at the location of maintenance requests.
- 0516532 Shop Supplies – Increased funding allocated for the purchase of shop supplies needed in order to complete in-house repairs that were previously outsourced.
- 0521000 Gasoline & Diesel – Budget increase accounted for by the transfer of gasoline & diesel funds from the Waste Water Management and Fire Department budgets to the Fleet Maintenance budget. Funds transferred to a single budget in order to simplify fuel tracking and usage.
- 0550000 Computer Diagnostic Equipment – This equipment will analyze and troubleshoot problems with District equipment, making it possible to complete repairs 'in-house' that would otherwise have been outsourced to other vendors.

GENERAL FUND DEBT SERVICE DETAILS

The District anticipates issuing additional debt of approximately \$1,900,000 in a Lease/Purchase Agreement in FY 17-18 to begin paying for new fire apparatus that was ordered in 2016 and will be delivered in September-October of 2017.

Lease Purchase Agreement,	Date	Payment	Principal	Interest
2010 Fire Station #1	April 1, 2018	254,131	215,000	39,131
Issued: August 27, 2009;	April 1, 2019	264,444	230,000	34,444
First Supplement Issued: April 25, 2012	April 1, 2020	269,430	240,000	29,430
Amount of Issue: \$3,720,000	April 1, 2021	279,198	255,000	24,198
Remaining Principal Outstanding as of	April 1, 2022	288,639	270,000	18,639
July 1, 2017: \$1,795,000	April 1, 2023	297,753	285,000	12,753
Interest Rate: 2.180%	April 1, 2024	306,540	300,000	6,540

Lease Purchase Agreement,	Date	Payment	Principal	Interest
2014 Fire Engine (E-One Pumper)	Dec. 19, 2017	137,394.51	135,564.39	1,830.12
Issued: December 19, 2014				
Amount of Issue: \$401,300				
Remaining Principal Outstanding as of				
July 1, 2017: \$135,564.39				
Interest Rate: 1.350%				

ALLOCATED COSTS

The Financial Administration and Fleet Maintenance Departments of Parker District exist to support the line functions of wastewater collection and fire protection services. To gain a true operational cost of the line functions, it is necessary to *allocate* the costs of the two support departments (Financial Administration and Fleet Maintenance) across the two line departments (Wastewater and Fire).

Allocations of Financial Administration costs are based upon the number of personnel in each of the respective line departments for the FY 2017-2018. The Fire Department has been allocated 69% of the Financial Administration costs, while the remaining 31% are allocated to the Waste Water Collection Department.

Allocations of Fleet Maintenance costs are based upon historic costs recorded for each department over the past several years. For FY 2017-2018, 60% of Fleet Maintenance costs are allocated to the Fire Department and 40% are allocated to Wastewater Collection.

Financial Administration

FY 2017-2018 Total:	3,835,967
69% allocated to Fire Dept:	2,646,817
31% allocated to Waste Water:	1,189,150

Fleet Maintenance

FY 2017-2018 Total:	638,500
60% allocated to Fire Dept:	383,100
40% allocated to Waste Water:	255,400

Total Departmental Expenditures:

Fire Department Direct Costs	4,512,298
Allocated Finance Admin Cost	2,646,817
Allocated Fleet Maint. Cost	383,100

Fire Department Total, w/ Allocated Costs: \$ 7,542,215

Waste Water Department Direct Costs	1,818,099
Allocated Finance Admin Cost	1,189,150
Allocated Fleet Maint. Cost	255,400

Waste Water Total, w/ Allocated Costs: \$ 3,262,649

**PARKER SEWER & FIRE SUBDISTRICT
REHABILITATION FUND BUDGET**

**PARKER SEWER AND FIRE SUBDISTRICT
REVENUE LINE ITEM DETAIL
REHABILITATION FUND - 2017/2018**

<u>PROPERTY TAXES</u>	15/16 Actual	16/17 Budget	17/18 Budget
0400210 - REHABILITATION FEES	1,915,000	\$ 1,915,000	\$ 1,925,000
TOTAL PROPERTY TAXES	\$ 1,915,000	\$ 1,915,000	\$ 1,925,000
<u>OTHER REVENUE</u>			
XXXXXXXX - PROCEEDS - 2016 MASTER LEASE	1,530,000		
XXXXXXXX - PROCEEDS - 2017 REVENUE BOND	0	8,560,000	
0400300 - INTEREST EARNED - REHAB ACCOUNT	3,565	3,500	3,000
XXXXXXXXXX - INTEREST EARNED - REVENUE BOND	0	3,500	\$ 38,000
TOTAL OTHER REVENUE	\$ 1,533,565	\$ 8,567,000	\$ 41,000
TOTAL REVENUES	\$ 3,448,565	\$ 10,482,000	\$ 1,966,000

SUMMARY OF ESTIMATED CHANGES IN REHABILITATION FUND BALANCE

Rehabilitation Fund 2017-2018

Beginning Fund Balance, July 1st	\$	9,869,252
REVENUES		
Rehabilitation Fees	\$	1,925,000
Other Revenues	\$	41,000
TOTAL REVENUES	\$	1,966,000
EXPENDITURES		
Rehabilitation Projects	\$	3,052,120
Debt Service - 2016 Master Lease	\$	260,760
Debt Service - 2017 Revenue Bond	\$	271,516
TOTAL EXPENDITURES	\$	3,584,396
Other Financing Sources (Uses)		
Transfers Out (Rehab Reimbursements)	\$	(441,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$	(441,000)
Total Available Funding Sources	\$	1,966,000
Total Appropriations	\$	3,584,396
Net Increase (Decrease) in Fund Balance	\$	(1,618,396)
Projected Ending Fund Balance, June 30, 2018	\$	8,250,856

**PARKER SEWER AND FIRE SUB-DISTRICT
2017/2018 LINE ITEM DETAIL BUDGET**

REHABILITATION FUND EXPENDITURES

General Fund Account	Description	16/17	17/18	Account Number
		2016-2017 BUDGET	2017-2018 BUDGET	
53 - 0515007	Superintendent - Salary	18,007.50	19,350.01	0108401
53 - 0515008	Admin/Tech - Salary	58,626.88	93,591.68	0108402
53 - 0515009	WWCS Maintenance - Salary	85,758.40	152,083.36	0108403
54 - 0515012	Fleet Maintenance - Salary		0.00	0108404
53 - 0511004	FCIA		20,274.42	0108400
51 - 0511001	Employee Health Insurance		62,718.00	0108400
53 - 0511005	SC Unemployment Tax		0.00	0108400
53 - 0511003	SC Retirement		4,993.07	0108400
53 - 0511002	Life Insurance - AD&D		480.00	0108400
53 - 0512003	Workman's Compensation		13,829.00	0108400
TOTAL SALARIES & BENEFITS		\$ 162,393	\$ 367,320	

Collection Fees [Reimbursed]	500.00	500.00	0106100
Computer Hardware	1,000.00	20,000.00	0106601
Computer Software		50,000.00	0106602
Copier		5,000.00	0106603
Copies		2,000.00	0106604
Dell Computer			0106605
File Cabinet		1,000.00	0106606
Ink Cartridges	100.00	2,000.00	0106607
Printers		1,000.00	0106608
Dues and Subscriptions	100.00	500.00	0106609
Travel and Entertainment		5,000.00	0106610
Lodging		5,000.00	0106613
Postage and Delivery		1,000.00	0106611
Sales Tax			0106612
Vehicle		10,000.00	0106614
Website Development		5,000.00	0106615
Telephone	4,000.00	5,000.00	0106650
Communication		10,000.00	0106651
Computer Setup			0106671
Engineering Fees		200,000.00	0106672
Testing		5,000.00	0106673
Attorney Related Fees		5,000.00	0106674
Miscellaneous		20,000.00	0106700
Immunizations		1,000.00	0106701
Clothing		2,000.00	0106850
Workwear		5,000.00	0106851
Batteries		5,000.00	0106900
Cones			0106901

Flow Monitor Supplies		2,000.00	0106902
Gloves	500.00	1,000.00	0106903
Liquid Dye		1,000.00	0106904
Liquid Smoke		1,000.00	0106905
Liquid Smoke Tank			0106906
Miscellaneous Supplies	500.00	5,000.00	0106907
Paint	200.00	1,000.00	0106908
Safety	500.00	2,000.00	0106909
Asphalt Material	1,000.00	5,000.00	0107001
Brick	100.00	100.00	0107002
Columbia Sand	300.00	1,000.00	0107003
Fittings	1,000.00	2,000.00	0107004
Manhole Rings and Covers	5,000.00	7,500.00	0107005
Manhole Sealant	200.00	200.00	0107006
Pipe	5,000.00	10,000.00	0107007
Stone	10,000.00	10,000.00	0107008
Cement	500.00	500.00	0107011
Freight		500.00	0107009
EDMS Project			0107010
Permits			0107030
Permitting Project			0107031
Fuel			0107050
Line Installation		2,000,000.00	0107101
Camera Repairs	1,000.00	5,000.00	0107601
Equipment Repairs	1,000.00	12,000.00	0107602
Training	500.00	10,000.00	0107650
Camera Van - Equipment	500.00	15,000.00	0108201
Parts	500.00	1,000.00	0108202
Small Tools		1,000.00	0108203
Flashing Arrow Sign w/ Trailer			0108204
Flow Loggers & Sensors		150,000.00	0108205
Purchase of Ditch Box			0108206
Rental Equipment Fees		5,000.00	0108207
Data Services	70,000.00	70,000.00	0108301

Total Expenditure	\$ 72,500	\$ 2,684,800
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TOTAL OPERATING COST	\$ 234,893	\$ 3,052,120
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PROJECT BASINS

R-11	R16N
R12A	R16N.1
R12B	R-17K
R15	R-18A
R15.1	

REHABILITATION FUND DEBT SERVICE DETAILS

Lease Purchase Agreement, Rehabilitation Equipment List Issued: June 27, 2016; Amount of Issue: \$1,531,000 Remaining Principal Outstanding as of July 1, 2016: \$1,531,000 Interest Rate: 1.220%	<table border="1"> <thead> <tr> <th>Date</th> <th>Payment</th> <th>Principal</th> <th>Interest</th> </tr> </thead> <tbody> <tr> <td>Jan. 1, 2018</td> <td>260,760.24</td> <td>254,355.80</td> <td>6,404.44</td> </tr> <tr> <td>July 1, 2018</td> <td>260,760.24</td> <td>256,020.41</td> <td>4,739.83</td> </tr> <tr> <td>Jan. 1, 2019</td> <td>260,760.24</td> <td>257,538.28</td> <td>3,221.96</td> </tr> <tr> <td>July 1, 2019</td> <td>260,760.24</td> <td>259,170.54</td> <td>1,589.70</td> </tr> </tbody> </table>	Date	Payment	Principal	Interest	Jan. 1, 2018	260,760.24	254,355.80	6,404.44	July 1, 2018	260,760.24	256,020.41	4,739.83	Jan. 1, 2019	260,760.24	257,538.28	3,221.96	July 1, 2019	260,760.24	259,170.54	1,589.70
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July 1, 2019	260,760.24	259,170.54	1,589.70																		

Sewer System Revenue Bonds Series 2017 Issued: May 9, 2017 Par Amount: \$8,560,000 Bond Proceeds: \$8,691,544.80 Average Coupon Rate: 3.637211%	<table border="1"> <thead> <tr> <th>Date</th> <th>Debt Service</th> <th>Date</th> <th>Debt Service</th> </tr> </thead> <tbody> <tr><td>6/30/2018</td><td>271,516.44</td><td>6/30/2033</td><td>504,902.50</td></tr> <tr><td>6/30/2019</td><td>303,558.76</td><td>6/30/2034</td><td>505,315.00</td></tr> <tr><td>6/30/2020</td><td>303,558.76</td><td>6/30/2035</td><td>505,250.00</td></tr> <tr><td>6/30/2021</td><td>303,558.76</td><td>6/30/2036</td><td>504,618.76</td></tr> <tr><td>6/30/2022</td><td>502,558.76</td><td>6/30/2037</td><td>503,650.00</td></tr> <tr><td>6/30/2023</td><td>501,408.76</td><td>6/30/2038</td><td>501,925.00</td></tr> <tr><td>6/30/2024</td><td>505,108.76</td><td>6/30/2039</td><td>503,125.00</td></tr> <tr><td>6/30/2025</td><td>505,708.76</td><td>6/30/2040</td><td>503,725.00</td></tr> <tr><td>6/30/2026</td><td>503,958.76</td><td>6/30/2041</td><td>503,725.00</td></tr> <tr><td>6/30/2027</td><td>502,058.76</td><td>6/30/2042</td><td>503,125.00</td></tr> <tr><td>6/30/2028</td><td>502,658.76</td><td>6/30/2043</td><td>501,925.00</td></tr> <tr><td>6/30/2029</td><td>502,858.76</td><td>6/30/2044</td><td>501,700.00</td></tr> <tr><td>6/30/2030</td><td>502,658.76</td><td>6/30/2045</td><td>500,931.26</td></tr> <tr><td>6/30/2031</td><td>502,058.76</td><td>6/30/2046</td><td>504,618.76</td></tr> <tr><td>6/30/2032</td><td>503,808.76</td><td>6/30/2047</td><td>502,581.26</td></tr> </tbody> </table>	Date	Debt Service	Date	Debt Service	6/30/2018	271,516.44	6/30/2033	504,902.50	6/30/2019	303,558.76	6/30/2034	505,315.00	6/30/2020	303,558.76	6/30/2035	505,250.00	6/30/2021	303,558.76	6/30/2036	504,618.76	6/30/2022	502,558.76	6/30/2037	503,650.00	6/30/2023	501,408.76	6/30/2038	501,925.00	6/30/2024	505,108.76	6/30/2039	503,125.00	6/30/2025	505,708.76	6/30/2040	503,725.00	6/30/2026	503,958.76	6/30/2041	503,725.00	6/30/2027	502,058.76	6/30/2042	503,125.00	6/30/2028	502,658.76	6/30/2043	501,925.00	6/30/2029	502,858.76	6/30/2044	501,700.00	6/30/2030	502,658.76	6/30/2045	500,931.26	6/30/2031	502,058.76	6/30/2046	504,618.76	6/30/2032	503,808.76	6/30/2047	502,581.26
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CAPITAL IMPROVEMENT PLAN

In 2015, the District began developing a Capital Improvement Plan (CIP) that was finalized and approved in 2016. The development of this CIP was driven by the need to expedite planned rehabilitation activities for the District Waste Water Collection System (WWCS). In 2005, the District developed and approved a comprehensive Work Plan that outlined a 15-year program to bring the Parker WWCS into regulatory compliance. In 2015, an internal audit of the Rehabilitation Program was conducted, and it was determined that significant equipment acquisitions would be necessary to complete the Rehabilitation Program by the 2020 deadline. In addition, it was determined that it would be necessary to sub-contract major amounts of this project to outside firms, and that long-term capital financing would be necessary.

Financial and engineering consultants for the District analyzed several sources of long-term financing, including the State Revolving Loan Fund, USDA loans, the state Rural Infrastructure Bank, Lease/Purchase agreements, grants, bank financing, and issuance of tax-exempt municipal bonds. The District has adopted a diversified financing schedule that will include Pay-As-You-Go (PAYGO), Lease/Purchase financing, and issuance of tax-exempt municipal revenue bonds. Equipment will be acquired with Lease/Purchase proceeds, while the actual engineering design and construction activities will be financed by a combination of PAYGO and bond proceeds.

Lease/Purchase financing is secured by an appropriation covenant under which the District agrees to appropriate the principal and interest payments. Revenue bonds are secured by the proceeds from the District's Rehabilitation Fee that was initially implemented in 2007 and amended in 2009 and 2017. The District issued \$8.56 million in revenue bonds in FY 16-17, with a 30 year maturity.

Details of the CIP are presented on the next page, including planned equipment acquisitions and rehabilitation projects, projected costs, and funding source(s) (revenue bond, PAYGO, Lease/Purchase).

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Sewer_CIP_Needs	Funding Source	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	Total
R16	CASH	\$1,800,000	\$500,000	\$2,100,000							\$2,300,000
R9	CASH										\$2,100,000
R15 Brandon Mill Sewer Rehabilitation	REVENUE BONDS				\$3,000,000	\$3,000,000					\$6,000,000
R16 Judson Mill Sewer Rehabilitation	REVENUE BONDS				\$4,000,000	\$4,000,000					\$8,000,000
R17 Dunean/Mill's Mill Sewer Rehabilitation	REVENUE BONDS				\$3,000,000	\$3,000,000					\$6,000,000
R15, R16, R17 - Service line replacement	CASH				\$2,000,000	\$2,000,000					\$4,000,000
L13	??CASH??						\$2,000,000				\$2,000,000
R7	???										\$2,000,000
R11	???						\$2,300,000				\$2,300,000
R18	???						\$1,300,000			\$2,200,000	\$1,300,000
VacCon	Lease/Purchase	\$300,000	\$15,000								\$315,000
Van & Camera System	Lease/Purchase	\$250,000	\$237,500								\$487,500
Flow Monitors (10 @ \$15k each)	Lease/Purchase	\$150,000	\$150,000								\$300,000
Convert to CityWorks Asset Management	Lease/Purchase	\$100,000	\$75,000								\$175,000
Articulated Front-end Loader	Lease/Purchase	\$100,000	\$85,000								\$185,000
2 Service Trucks (Food body, quad cab, dual rear wheel)	Lease/Purchase	\$100,000	\$90,000								\$190,000
2 Pickup Trucks, 4WD	Lease/Purchase	\$70,000	\$63,000								\$133,000
Harbor	Lease/Purchase	\$70,000	\$7,000								\$77,000
Dump Truck (small)	Lease/Purchase	\$70,000	\$59,500								\$129,500
Service Line Pipe-bursting unit (Grunt-n-Lug)	Lease/Purchase	\$30,000	\$25,500								\$55,500
Computers/tablets/software	Lease/Purchase	\$20,000	\$10,000								\$30,000
4WD All Terrain Vehicle ("Gator")	Lease/Purchase	\$18,000	\$16,200								\$34,200
Equipment Machine	Lease/Purchase	\$15,000	\$12,750								\$27,750
GPS receiver	Lease/Purchase	\$15,000	\$11,250								\$26,250
Push Cam system	Lease/Purchase	\$12,000	\$10,800								\$22,800
Rain Gauges (10 @ \$1,200 each)	Lease/Purchase	\$12,000	\$11,400								\$23,400
2 Rescure Tripod Systems	Lease/Purchase	\$8,000	\$7,600								\$15,600
Wear systems	Lease/Purchase	\$3,000	\$2,850								\$5,850
2 Gas Monitors	Lease/Purchase	\$3,000	\$2,850								\$5,850
Utility Location system	Lease/Purchase	\$3,000	\$2,850								\$5,850
Hydraulic Unit	Lease/Purchase	\$10,000	\$9,000								\$19,000
Equipment TO TAL		\$1,416,000	\$1,233,200								\$2,649,200
R12			\$6								\$6
R15											\$0
R3											\$0
P2											\$0
P4											\$0
R5											\$0
R1											\$0
S1											\$0
R8											\$0
R2											\$0
R4											\$0
A1											\$0
L1											\$0
L2											\$0
L3											\$0
L4											\$0
L5											\$0
L6											\$0
L7											\$0
L8											\$0
TO BE CONTINUED											\$0
Total Sewer Capital		\$4,632,000	\$500,000	\$2,100,000	\$12,000,000	\$12,000,000	\$2,000,000	\$2,300,000	\$1,300,000	\$2,200,000	\$16,200,000
Total Subject to Utility Revenue Bond Financing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant Funding		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH/UNDEVELOPED REMAINING BALANCE		\$4,632,000	\$500,000	\$2,100,000	\$12,000,000	\$12,000,000	\$2,000,000	\$2,300,000	\$1,300,000	\$2,200,000	\$16,200,000
Projected Utility Revenue Bond Payments											\$0
Total Projected Utility Revenue Bond Payments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

APPENDIX

Parker Sewer & Fire Subdistrict

REVENUE MANUAL



Parker Sewer & Fire Subdistrict

REVENUE MANUAL

July, 2017

The purpose of this manual is to identify the various revenue sources for Parker Sewer & Fire Subdistrict (Parker District, or District), as well as discuss trends for each revenue source, the legislative authority for each source, and related information. This manual will provide important information for both Commissioners and District staff during the budget development process, as well as for budget implementation during the fiscal year.

PROPERTY TAX

- Real Estate
- Automobiles
- Current vs Delinquent

INTERGOVERNMENTAL REVENUE SHARING

- Manufacturer's Inventory Tax
- FILOT (Fee-in-Lieu of Taxes)
- Motor Carriers Fee in Lieu of Taxes
- State Reimbursement – Manufacturers Depreciation
- County Wide Utility Right-of-Way
- Business Personal Property

SERVICE FEES

- Rehabilitation Fee
- Sewer Permit Fees
- Renewable Water Resources (ReWa) Service Fee
- Accident Response Fee (Fire Dept.)
- City of Greenville Annexation Fees

INTERNAL REVENUE SOURCES

- Employee Insurance Premiums
- Inter-Fund Transfers
- Sale of Assets

PROPERTY TAXES

Real Estate

The Real Estate Property Tax is the largest single source of revenue for Parker District and provides for approximately 80% of the annual General Fund receipts. Property tax revenues are used for Operations & Maintenance (O&M) activities as well as Capital Expenditures.

Legislative authority: South Carolina Code of Laws Section 6-11-270, et al:

SECTION 6-11-270. Levy, collection and disbursement of taxes.

After the approval thereof by the county supervisor, taxes shall be levied to meet such expenses upon all assessable property in the district and upon collection of them by the county treasurer they shall be disbursed only upon the approval of the board of commissioners of the said electric light, water supply, fire protection or sewerage district, as the case may be, by an order on the county treasurer drawn by the supervisor of the county in which said district is located. All taxes so levied for any such district shall be kept separate on the assessment roll from other levies and moneys so collected shall be kept in a separate fund for the district.

Current Millage (FY 18) rate for property within Parker District: 89.6 mils

This tax is levied by the Parker District Commission and collected by the Office of the Greenville County Tax Collector. Funds collected by Greenville County are remitted to the District monthly via Electronic Funds Transfer (EFT) to the District's bank account.

Automotive/Vehicle

The "Car Tax", or vehicle tax, is another significant revenue source for Parker District, yielding approximately \$1 million each year. Unlike the real estate tax, the car tax is levied by the General Assembly. It is collected by the County Tax Collector and remitted to the District monthly via EFT. The car tax and real estate taxes are broken out on the Tax Collector's monthly report which is forwarded to the District Financial Administrator after the EFT has been completed.

Current vs. Delinquent Taxes

The monthly tax report segregates the collection of current and delinquent property taxes. Collection of delinquent taxes for the previous ten years are tracked on a yearly basis.

INTERGOVERNMENTAL REVENUE SHARING

Intergovernmental Revenue (IGR) is comprised of taxes and fees collected by State government and then allocated to local governments based upon a formula generated by the South Carolina General Assembly.

Manufacturer's Inventory Tax: In 1987, the General Assembly repealed the authority of Counties in South Carolina to levy property taxes on business inventory. The various taxing authorities impacted by this change have been reimbursed by the State for the lost revenues since 1987:

SECTION 12-37-450. Business inventory tax exemption; reimbursement of counties and municipalities.

(A) A county and municipality must be reimbursed for the revenue lost as a result of the business inventory tax exemption based on the 1987 tax year millage and 1987 tax year assessed value of inventories in the county and municipality. The reimbursement amount must be redistributed proportionately to the separate millages levied by the political subdivision within the county for the current tax year millage. There is credited annually, as provided in Section 11-11-150, to the Trust Fund for Tax Relief whatever amount is necessary to reimburse fully all counties and municipalities the required amount. The department shall make remittances of this reimbursement to a county and municipality in four equal payments.

This formerly was a very stable revenue source, but changes made by the 2015 General Assembly reduced this revenue source by approximately \$120,000, and allowed the amount to fluctuate in future years.

FILOT (Fee-in-Lieu of Taxes): The fee-in-lieu of taxes provision for certain manufacturing and commercial industries investing in South Carolina originated in the 1980's to encourage recruitment of large capital-intensive businesses and to offset the negative perception out-of-state businesses had about the property tax structure in South Carolina. From the SC Department of Revenue website:

Industries that invest at least \$2.5 million in South Carolina may negotiate for a fee-in-lieu of property taxes. This can result in a savings of about 40% on property taxes otherwise due for a project. Certain large investments may be able to further reduce their liability by negotiating the assessment ratio from 10.5% down to 6%. For large investments, the assessment ratio can be reduced to 4%. The county and the industry may agree to either

set the millage rate for the entire agreement period or have the millage change every five years in step with the average millage rate for the area where the project is located. Any personal property subject to the fee in lieu of property taxes depreciates in accordance with South Carolina law, while the real property is either set at cost for the life of the agreement or can be appraised every five years.

A fee in lieu of property taxes is granted by, and at the discretion of, the county where the project is located. The industry must make the \$2.5 million investment over a five-year period to qualify. Large investment projects have eight years to meet their increased investment requirements. During this period, all property that is placed in service pursuant to the agreement is subject to a fee instead of ad valorem property taxes. A county may give the industry an additional five years to complete the project and place new property in service subject to the fee. A single piece of property can be subject to the fee for up to 40 years with the county's consent. The total project can be subject to the fee for up to 50 years with the county's consent. (emphasis added)

Other unique things about a fee in lieu of taxes include the ability to replace used property with new property and have it subject to the fee and the option for the county to grant a credit against the fee.

In FY 2017-2018, Parker District will receive FILOT revenue from Millikan & Company and Piedmont Natural Gas. These revenues are stable, as they are negotiated in advance for five year periods, with several renewals possible.

Motor Carriers Fee in Lieu of Taxes: This fee is determined in accordance with Section 12-37-2820 of the State Code:

SECTION 12-37-2820. Assessment of motor vehicles.

(A) The Department of Revenue annually shall assess, equalize, and apportion the valuation of all motor vehicles of motor carriers. The valuation must be based on fair market value for the motor vehicles and an assessment ratio of nine and one-half percent as provided by Section 12-43-220(g). Fair market value is determined by depreciating the gross capitalized cost of each motor vehicle by an annual percentage depreciation allowance down to ten percent of the cost as follows:

(1) Year One - .90 (2) Year Two - .80 (3) Year Three - .65 (4) Year Four - .50 (5) Year Five - .35 (6) Year Six - .25 (7) Year Seven - .20 (8) Year Eight - .15 (9) Year Nine - .10

The Fee receipts are distributed proportionally throughout the counties, cities and other jurisdictions, as described in Section 12-37-2870:

SECTION 12-37-2870. Distribution formula

The distribution for each county must be 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 all counties of this State during the same preceding calendar year. The county must distribute the revenue from the payment-in-lieu of taxes received pursuant to this section within thirty days of its receipt to every governmental entity levying a property tax in the manner set forth below. For each governmental entity levying a property tax, the entire assessed value of the taxable property within its boundaries and the county area must be multiplied by the millage rate imposed by the governmental entity. That figure constitutes the numerator for that governmental entity. The total of the numerators for all property tax levying entities within the county area constitutes the denominator. The numerator for each governmental entity must be divided by the denominator. The resulting percentage must be multiplied by the payment-in-lieu of tax revenue received pursuant to this section and that amount distributed to the general fund of the appropriate governmental entity. The distribution of taxes and fees paid must be made by the last day of the next month succeeding the month in which the taxes and fees were paid.

State Reimbursement – Manufacturer’s Depreciation: S.C. Code Ann. Section 12-37-935(B) (Supp. 1997) provides for the State to reimburse all local taxing entities the amount of revenue not collected as a result of the additional depreciation of more than eighty percent allowed for manufacturer’s machinery and equipment under Section 12-37-935(A), as follows:

SECTION 12-37-935. Maximum percentage depreciation; trust fund for tax relief.

(A) Except as provided in Section 12-37-930 for custom molds and dies used in the conduct of manufacturing electronic interconnection component assembly devices for computers and computer peripherals, and equipment used in the manufacture of tires by manufacturers who employ more than five thousand employees in this State and have over one billion dollars in capital investment in this State, the original cost must not be reduced more than the percentage provided in the following schedule:

Property Tax Year Maximum Percentage Depreciation Before 1997 80 percent; 1997 - 83.3 percent; 1998 - 86.6 percent; After 1998 - 90 percent.

(B) Annually as provided in Section 11-11-150, there is credited to the Trust Fund for Tax Relief an amount sufficient 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 manufacturer's machinery and equipment pursuant to this section. No reimbursement is allowed for any depreciation allowed in connection with custom molds and dies used in the conduct of manufacturing electronic interconnection component assembly devices for computers and computer peripherals and equipment used in the manufacture of tires by manufacturers who employ more than five thousand employees in this State and have

over one billion dollars in capital investment in this State. Reimbursements must be paid from the fund in the manner provided in Section 12-37-270, mutatis mutandis.

County Wide Utility Right-of-Way: “Manufacturers and Utilities: Except as provided below, real and personal property owned by, or leased to, manufacturers and utilities, and used by the manufacturer or utility in the conduct of its business, is taxed on an assessment equal to 10.5% of the fair market value of the property.” South Carolina Code §12-43-220(a). 10 SC Regs. 117-1700.3 defines utilities to include water companies, power companies, electric cooperatives, and telephone companies. The Property Division of the Department also considers sewer companies and cable television companies to be utilities” (SC Department of Revenue, 2015, “South Carolina Property Tax Manual”).

Business Personal Property: Business Personal Property Tax (BPP) is a tax on the furniture, fixtures, and equipment that are owned and used in a business. Any assets that are claimed on the business' income taxes should be reported on the BPP tax return, which is filed directly with the state Department of Revenue. On the return, the business owner reports the total cost of the assets, the income tax depreciation, and the net depreciated value. An assessed value is then sent to the county where the business is located. The county will send a BPP tax notice after September 1. The payment is due on or before the following January 15 of each year.

SERVICE FEES

Fees are collected from users of a distinct service and are charged according to a set schedule. By law, fees must be used in general support of the service for which they are charged.

Rehabilitation Fee

The Rehabilitation Fee (“Rehab Fee”) is a major revenue source for the District; in 2017, the Rehab Fee totaled over \$1.9 million, second only to the Property Tax. This fee was originally enacted by resolution of the District in 2005, and was adopted in its current form by Resolution 2017-2, enacted on February 21, 2017. The Rehab Fee is levied against individual parcels in the District that are connected to the Parker District waste water collection system or are located within 300 feet of the system. Fees are based upon land use, with the most common land use classification being Residential-Developed, which accounts for approximately 84% of the parcels in the District.

The purpose of the fee is to fund the long-term rehabilitation of the system, and it can only be used for this purpose. Rehabilitation work is governed by a 2005 Intergovernmental Agreement between Parker District and Renewable Water Resources. Rehabilitation fees are levied according to a schedule based upon land use, as outlined in the 2017 Resolution. Fees are listed on the annual Greenville County Property Tax bill and are subject to the same lien priority as property taxes.

Rehab fees are segregated into a separate bank account and are accounted for in a *restricted* governmental fund, separate from the General Fund, and are managed in a separate budget. Rehab fees are also pledged as a revenue source for debt service on an \$8.5 million revenue bond issued by Parker District in May, 2017.

Due to its implementation as a fee, this revenue source is very stable and does not fluctuate with property values, as does an *ad valorem* tax. The downside to this structure is that the total District-wide fee levy grows very slowly. From 2010 to 2017, the average annual growth was approximately 1.5%.

Wastewater Permit Fees

District resolution requires the issuance of permits for connection of new services to the wastewater collection system, re-connection to existing services, repairs to existing private service lines, and demolition and/or capping of existing private service lines. The WWCS Department also collects fees to locate and mark sewer taps and may assess re-inspection fees against plumbing contractors. The fees are charged in accordance with the schedule published in Resolution 2017-02, approved on February 21, 2017. Permit fees are collected by the Wastewater Collection Department when permits are issued. Monies are collected and submitted to the Financial Administration Department for deposit.

Although Permit fees are classified as General Fund revenues, they are also pledged for debt service payments for the Series 2017 Sewer Revenue Bonds issued by the District for Rehabilitation activities.

Renewable Water Resources (ReWa) Service Fee

ReWa charges a capacity, or impact, fee for new services connecting with its service area, which includes Parker District. ReWa requires that Parker District handle the issuance and fee collection on behalf of ReWa for all new connections within the District. ReWa compensates Parker District by allowing the District to retain 5% of all permit fees collected on behalf of

ReWa. This is a relatively minor source of revenue and fluctuates yearly. Permit fees are collected by the Wastewater Collection Department when permits are issued. Monies are collected and submitted to the Financial Administration Department for deposit. Fee receipts are remitted to ReWa monthly, less the 5% service charge. The WWCS Operations Manager coordinates the remittance process with the Financial Administration Department.

Accident Response Fee (Fire Dept.)

The Accident Response Fee is charged by the Fire Department for responding to motor vehicle accidents (MVA), and is collected from insurance companies, based upon policy terms of the parties involved in an accident. Fire Department officers collect information onsite during a MVA response and submit to a third-party vendor, InnovaPad, which then contacts the respective insurance companies and files the claims. The vendor collects the claims monies and forwards the receipts to Parker District.

City of Greenville Annexation Fees

In 2011, the District entered Intergovernmental Agreements with the City of Greenville regarding annexation of property from Parker District into the City. Prior to the agreements, the District lost revenues when the City annexed District properties. In 2011, Parker District and the City of Greenville negotiated annexation agreements for fire and waste water funding in the event of annexation of parcels. The annexation agreements allocate payments from the City to Parker District to compensate for the reduction in the District's tax base caused by annexation. This revenue source provides approximately \$30,000 annually. It is paid with two checks from the City of Greenville, usually issued in April or May of each year.

INTERNAL REVENUE SOURCES

Employee Insurance Premiums

Parker District offers a comprehensive package of health, dental and vision benefits to its employees and employee spouses and families. Employees contribute toward the total cost of these benefits through pre-tax payrolls deductions. These revenues are collected during payroll preparation every two weeks. Retirees receive free health care, but must contribute if they insure a spouse or children. Retirees contribute via monthly payments directly to the District.

Inter-Fund Transfers

Many of the expenses associated with the Parker District Wastewater Rehabilitation program are paid directly from the restricted Rehabilitation Fund. However, some costs are paid from the General Funds, and then reimbursed from the Rehabilitation Fund. The salaries of several employees in the Wastewater Collections Department are partially funded from the Rehab Fund. The payroll costs for these employees are paid initially from the General Fund and then the proper amount allocated to the Rehab Fund is reimbursed back into the General Fund from the Rehab Fund in one transaction. This keeps the accounting process much simpler and less likely to suffer from errors. Rehabilitation contractors that are organized as Limited Liability Corporations (LLCs) must be paid out of the General Fund, due to arcane Internal Revenue Service (IRS) rules. When dealing with LLCs, the contractor will be paid from the General Fund, which will be reimbursed from the Rehab account. These transfers and reimbursements are classified as Inter-Fund Transfers.

Sale of Assets

From time to time, the District will deem certain items to be ‘salvage’ and dispose of these items through a public sale. These items may range from worn-out hand tools and furniture to outdated fire trucks or construction equipment. Public sales are held in accordance with applicable regulations, and every reasonable effort is made to ensure that the District receives a fair price for salvaged assets. Sometimes, the decision is made to sell certain items directly to a salvage/scrap metal dealer. All receipts from sale of assets are turned into the Financial Administration Department for bank deposit.