

AN ORDINANCE OF THE CITY OF WEST COLUMBIA ENACTING A BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2020; AUTHORIZING THE LEVY OF TAXES, FEE AND CHARGES AS NECESSARY TO FUND SUCH BUDGET FOR THE FOR THE FISCAL YEAR; AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City of West Columbia, South Carolina (the “City”) is a municipal corporation of the State of South Carolina, located in Lexington County, South Carolina (the “County”) and as such possesses all general powers granted by the Constitution and statutes of the State to municipal corporations.

WHEREAS, pursuant to Sections 5-11-10 *et seq.* of the Code of Laws of South Carolina 1976, as amended (the “SC Code”) and Section 1-1-1 of the City’s code of ordinances, the City operates under the council form of government, with a mayor and eight council members (together, “City Council”).

WHEREAS, Section 5-11-40 of the SC Code requires that City Council shall adopt a budget and levy taxes, fees and charges to fund the budget.

WHEREAS, the staff of the City has prepared its fiscal year 2020-2021 budget (the “Budget”), the provisions of which establish annual budgets for the City’s general fund, water and sewer enterprise fund, local hospitality tax account and capital program.

WHEREAS, the Budget has been presented for the approval of the City Council.

NOW THEREFORE, BE IT ORDAINED, by the City Council of West Columbia, duly assembled:

Section 1. That the Budget, as prepared, provided budgeted expenses the City’s General Fund, Water/Sewer Fund, and Hospitality Tax Fund and the estimated revenue for payment of same, is hereby adopted and is made a part of this Ordinance as fully as if incorporated herein, and a copy thereof is hereby attached.

Section 2. By the terms of this Ordinance and as explicitly recited in the Budget, the City Council hereby imposes a tax on all taxable real estate and personal property lying within corporate limits of the City, except on such property as may be exempt from taxation under the Constitution and laws of this State. For the purposes of those portions of the Budget which constitute the City’s general fund budget and capital program, which explicitly includes all amounts necessary to the debt service requirements on general obligation bonds of the City, the following *ad valorem* property taxes are imposed at the following rates:

58.797 mils to fund the operating and capital budget to be received from property tax revenues for Fiscal Year 2020-2021;

6.6 mils to fund debt service requirements for Fiscal Year 2020-2021.

The millage rates are based on estimated assessments received from the Lexington County Auditor and are subject to change based on final reassessment figures received in July 2020. Any change in the Budget or the tax levy shall be by subsequent Ordinance and in accordance with statutory notice requirements.

Section 3. That any tax, except motor vehicle taxes, not paid by January 16, 2021, shall bear a penalty in accordance with the following:

- ⇒ January 16, 2021 to February 1, 2021 3%
- ⇒ February 2, 2021 to March 15, 2021 10%

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⇒ After March 15, 2021 15% plus collection costs

Unpaid motor vehicle taxes shall bear such penalties and costs as are imposed by State law.

Section 4. That the City Administrator is hereby authorized and directed to contract with the County for the collection of said taxes in accordance and in conformance with the SC Code and also in accordance with an agreement heretofore reached by and between the City and the County.

Section 5. That the City Administrator shall make public advertisement of the public hearings required by Sections 6-1-80 and 6-1-330, prior to the passage of this Ordinance, and once adopted, shall make the required public advertisements under the SC Code.

Section 6. A copy of this Ordinance and the Budget shall be made available to the County in order to properly order the levy and collection of *ad valorem* property taxes. Additionally, the City Administrator shall be authorized make the millage certification to the Lexington County Auditor required by Section 12-43-285 of the SC Code.

Section 7. Respecting the City's water and sewer system (the "System"), the City maintains its water and sewer enterprise fund (the "Enterprise Fund") for the collection of revenues derived from each component piece of the System. For purposes of the City's outstanding water and sewer system revenue bonds (the "Bonds"), the revenues of the System and amounts on deposit in the Funds are all pledged as security for the Bonds. In keeping with the City's Master Bond Ordinance dated February 19, 2013, as amended on May 16, 2016 and for purposes of the Budget, the City Council has further determined that:

A. The Budget appropriates sufficient revenues within the Enterprise Fund to pay the principal of and interest on all Bonds secured by revenues of the System as and when they become due and payable in one or more bond and interest redemption funds (a.k.a "debt service funds").

B. The Budget appropriates sufficient revenues within the Enterprise Fund to provide for the payment of all expenses of administration and operation of the System, as well as such expenses for maintenance as may be necessary to preserve the System in good repair and working order. These appropriations are made to the Funds into multiple accounts, organized by department and line items that collectively serve as the "operation and maintenance fund."

C. The City maintains within its Enterprise Fund an account or accounts described generally as the "depreciation and contingent fund." Upon advice of the City Administrator, and as supported by capital improvement plans prepared by the City's engineers, the City Council finds and declares that appropriations to the "depreciation and contingent fund" are sufficient to build up a reserve for depreciation of the System. Additionally, other amounts within or appropriated to the depreciation and contingent fund or other capital accounts within the Enterprise Fund are considered to be a sufficient reserve for funding improvements, betterments, and extensions to the System, other than those necessary to maintain it in good repair and working order as provided above. Based on the current levels of funding in the depreciation and contingent fund and various capital funding appropriations in the Budget, the City Council believes that the City's depreciation and contingency fund is adequately and appropriately funded.

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D. After giving effect to the funding described above, the budgeted revenues for the System exceed the budgeted expenses for the System. Accordingly, the City Council hereby determines and finds, as a fact and based on the information described above, that the amount of \$3,080,000 shall be considered surplus revenues of the System and are hereby budgeted for discretionary transfer to the General Fund as otherwise reflected in the Budget.

Section 9. That the Budget confirm the terms of the Rate Ordinance of City Council dated March 6, 2018.

Section 10. That the Budget appropriates sufficient revenues within the local hospital tax account to provide for the payment of all qualified expenses of hospitality tax, including debt service anticipated to be paid on the City's Limited Obligation Bonds (Hospitality Fee Pledge).

Section 11. That the Budget appropriates sufficient revenues to fund the City's capital program. The capital program shall be funded from the issuance of debt and other sources made available for pay-as-you-go financing by the City.

Section 12. That the Budget imposes revised permit fee schedules; such new schedule shall be the operative permit fee schedule for permits rendered on or after the July 1, 2020. The revised permit fee schedule provides for separate residential and commercial fee schedules. The City's building department has audited the inspection program and determined that, historically, the City's costs associated with commercial permitting are higher than its cost for residential permitting. This change is being implemented to more accurately allocate the City's actual cost to provide the building inspection services and further reflects increased qualifications required for performing commercial building inspections. The revised permit fee schedules support the increased demand on the City's services and the expected cost to provide inspection services for each type of permit.

Section 13. The Budget further imposes a new registration fee for Charitable Organizations for business licenses rendered on or after July 1, 2020. For purposes herein, "Charitable Organizations" shall have the meaning ascribed thereto in the City's Business License Program, as codified at Title 7, Chapter 1 of the City's Code of Ordinances (the "Business License Program"). Pursuant to the Business License Program, Charitable Organizations are exempt from business license taxes. However and consistent with the provisions of Section 6-1-330 of the SC Code, as amended, the provisions of which govern the imposition of new fees, the City seeks to maintain a register of all Charitable Organizations operating in the City and has determined to charge a registration and administration fee of \$25.00 (the "Fees") to each Charitable Organization for the costs of administering such register and regulating such entities. The Fees will be instituted as a part of the Budget and may be sustained through future budget authorizations or later codified by a separate ordinance of the Council or a subsequent amendment to the Business License Program.

Section 14. All actions of the City Administrator and other City staff regarding the public hearing and drafting, execution and delivery of the Budget are ratified, approved and confirmed. Further, the City Administrator and City staff shall be authorized to do all things necessary to implement the provisions of the Budget.

Section 15. This Budget shall be enacted upon due approval by City Council at second reading and shall be effective as of July 1, 2020.

**CITY OF WEST COLUMBIA,
SOUTH CAROLINA**

ATTEST:

Temus C. "Tem" Miles, Mayor

Crystal B. Parker, City Clerk

Brian E. Carter, City Administrator

APPROVED AS TO FORM:

City Attorney

First Reading: _____, 2020
Public Hearing for Budget: _____, 2020
Public Hearing for New Fees: _____, 2020
Second Reading: _____, 2020