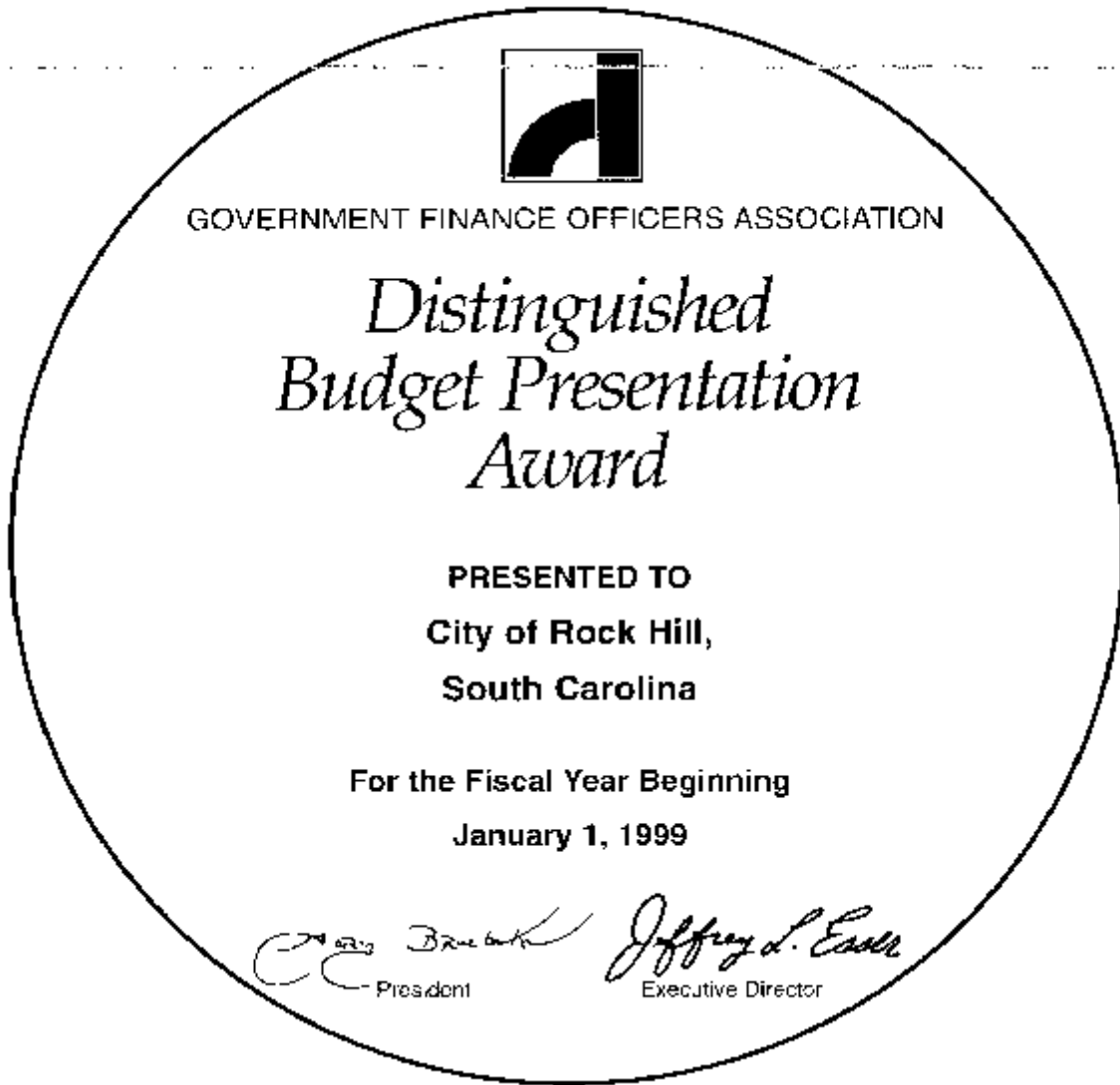


CITY OF ROCK HILL,  
SOUTH CAROLINA

**2001/2002**  
**Budget**

David B. Vehaun  
Finance Director

City of Rock Hill  
Budget Office  
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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation to the City of Rock Hill for its annual budget for the fiscal year beginning **January 1, 1999**.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

**CITY COUNCIL**

Mayor A. Douglas Echols, Jr.

Maxine K. Gill, Councilmember

C. Robert Herron, Councilmember

James C. Reno, Jr., Councilmember

Osbey Roddey, Councilmember

Winston Searles, Councilmember

Kevin H. Sutton, Mayor Pro Tempore

**MANAGEMENT TEAM**

J. Russell Allen, City Manager

Gerald E. Schapiro, Assistant City Manager

Stephen Turner, Economic Development Director

Frances M. Thomas, Planning & Development Director

Phyllis R. Fauntleroy, Human Resources Director

David B. Vehaun, Finance Director

David Fortson, Police Chief

Kenneth Jirel, Fire Chief

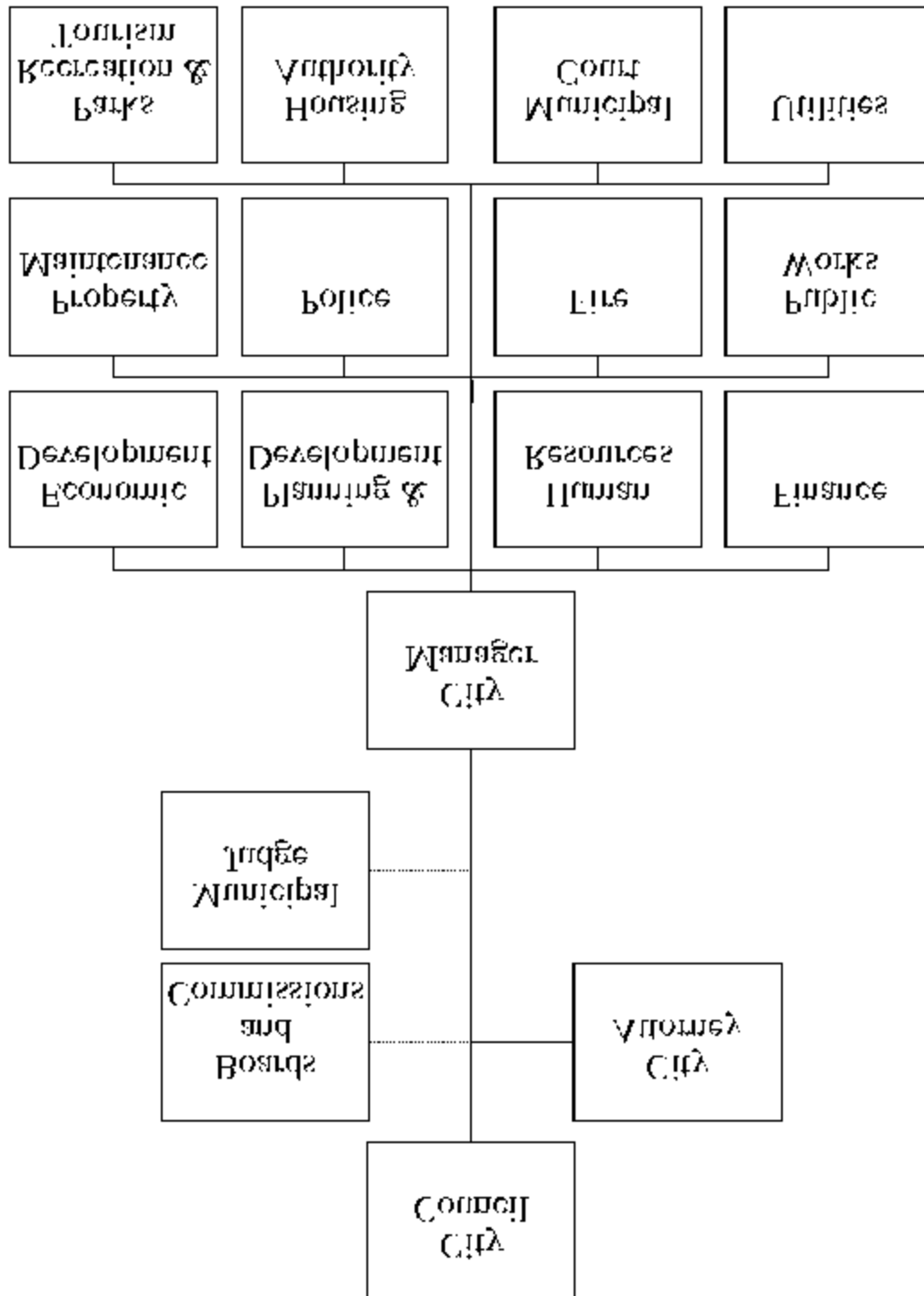
James P. Villano, Public Works Director

Jim R. Boyles, Housing Authority Director

Edward A. Thompson, Parks, Recreation & Tourism Director

Nick W. Stegall, Utilities Director

Spencer & Spencer, P.A., City Attorney



**Organization Chart  
CITY OF ROCK HILL, SOUTH CAROLINA**

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July 1, 2001

Mayor and Members of the City Council  
City of Rock Hill, South Carolina

Dear Mayor and Members of City Council,

It is my pleasure to present to you the City of Rock Hill approved budget for 2000 and proposed budget for 2001.

We are in a unique position as pioneers at the dawning of a new millennium. To be a pioneer requires perseverance, resourcefulness and an ability to adapt to this new world system of global competition driven by an expanding economy and rapid changes in technology. In this environment it is necessary to make difficult and sound decisions. A pioneer is a visionary who has established strategic goals. This work plan will outline our goals as an organization in the dawning of a new age where new challenges await us.

### **The Numbers**

#### ***2000 Budget***

The 2000 approved balanced budget totals \$96,830,490, an increase of \$6,624,435 or 7.3% over the 1999 budget. Much of this increase is in the capital area. Personnel expense increases have again been held to a minimum. The 2000 enterprise fund totals \$65,025,064, an increase of \$5,362,714 or 9% over the 1999 enterprise fund. Wholesale purchased power expense accounts for much of the increase over 1999. The 2000 general fund expense budget is \$31,805,426, a 4.1% increase or \$1,261,721 over the 1999 general fund expenses. The larger capital expenditures increasing the fund this year include the Year 2000 Flyover, Police patrol vehicles, Sanitation trucks, and the City Information System equipment purchases.

#### ***2001 Budget***

The proposed budget for year 2001 totals \$100,293,802, a 3.6% increase over 2000. Most general fund and enterprise fund capital project phases extend to the 2001 budget. Also increasing the 2001 budget is a 2.5% projected purchased power rate increase, inflationary adjustments for normal business operations and debt service for the 2000 Utility Bond Issue.

### **Managing Growth**

As growth has helped the City reach new customers, it also means we must make new investments to serve them. It makes good business sense to incur these costs, as the return on our investment is imminent. The City has established a Cost to Serve model for each of our key businesses in order to cover all costs and to generate a reasonable rate of return. Therefore, some rates have been adjusted in this budget to better align with Cost to Serve and to meet the growth pressures. The average residential customer's monthly bill will increase approximately \$5.25.

Although difficult, these decisions have been made by Council using sound business practices, the cost to serve philosophy and competitive positioning with other cities. Even with these adjustments, the City of Rock Hill continues to be very competitive in all the service areas affected: taxes, sanitation charges, electric rates, water rates and wastewater rates. Our commitment to competitive pricing and quality service has been paramount throughout the City of Rock Hill's history. Many of these services have seen little or no increases throughout the 1990's - a period during which the Consumer Price

Index rose an average of nearly 2.5% per year.

### **Pressures on the Budget**

*PMPA rate increase.* The purchased power rate increase of 2.5% increases the City's cost in the 2000 budget by \$1 million. Once again we will hold to the competitive position set since 1992 in absorbing all PMPA rate increases while increasing our service reliability. Including the projected purchased power rate increase in 2000, the total absorbed PMPA rate increases will approach \$9 million.

*Loss of Sewer revenues.* The shortfall caused by less than expected revenues from the Rock Hill Printing and Finishing Plant totals \$810,000 in wastewater revenues. Although we have held expenses down as the wastewater treatment plant has increased its capacity, the cost to serve model combined with the loss in revenues require a 12% increase in wastewater rates. This will increase the average residential customer's bill by approximately \$2.50 per month in 2000. Even with this increase, monthly residential rates will only be \$4.09 higher than they were 10 years ago.

*Electric capital.* The City has historically funded the infrastructure of its electrical system from the annual budget with appropriations for electrical capital. These budgets have been increased by more than \$1 million over the last two years. Despite the increased funding, the 1999 electrical capital budget was \$1 million less than required to meet the growth needs. In 1999, the City funded \$1 million of bond funds for electrical capital. Electrical capital expenses totaling \$750,000 and \$500,000 in 2000 and 2001, respectively, will be funded from a proposed 2000 Utility Bond issue.

*Tax rate increase.* A 2 mill tax rate increase is approved in the 2000 budget to move Public Safety toward cost to serve. Over the last ten years, tax rate increases have been held to a minimum. A 4 mill tax rate increase was approved in 1998 to cover the cost of the Fire Master Plan.

The 2 mill increase will help to meet cost in Public Safety and will continue the progress on Council's enterprise fund transfer goal. The operating deficit in Public Safety revenues and expenses has grown from \$675,000 to \$1.7 million - a significant gap. Expenses have increased as we have increased Police staffing, initiated a take home car program, added a fourth fire station, and created a career ladder for Patrol Officers.

The 2 mill increase will generate \$192,105 in year 2000 and will cost the average household approximately 67 cents per month. With the increase, Rock Hill's competitive position remains close to the median grouping of cities surveyed.

*Sanitation.* Several issues impact the Sanitation area cost to serve. York County tipping fees have dramatically increased our expenses by over \$1 million since 1993. Capital expenses associated with replacement vehicles also have continued to increase. Customers and land area have increased. The recycling programs have increased costs. Environmental initiatives, including the removal of abandoned vehicles, have made our community a better place to live.

The City must continue to take steps toward covering the costs of Sanitation services. The approved 10% increase in year 2000 will generate more than \$321,000 annually and will cost our residential customers 97 cents per month.

*Business License.* The 2000 budget includes an increase of 2% in business license fees. Rock Hill's fees still remain much lower than the median group of cities surveyed and the City's competitive position remains unchanged.

*Water System.* An 8% rate increase is included in the 2000 budget. This increase is anticipated to increase revenues so that the water system will completely meet the cost to serve goals. This increase will generate approximately \$489,000 and cost the average household approximately \$1.11 per month.

### **Budget Objectives**

This budget details the City of Rock Hill's pursuit of several key objectives:

*Reduce the transfer from the utility fund to the general fund.*

In this new age of increased competition, this continues to be a valid and warranted goal. The budgeted Enterprise Fund Transfer to the General Fund is \$4.05 million which is \$1 million less than the 1999 budgeted transfer.

*Move toward Cost to Serve in key businesses and remain competitive.*

It is widely accepted that our key business areas must cover their costs, however, no fees or rates are raised for the sake of covering costs alone. City staff performs regular studies to compare our rates to make certain that we remain competitive. Personnel and operating expenses are held to a minimum and remain at the forefront of City policy throughout each budget year.

*Maintain Enterprise Fund Efficiencies.*

With this budget, the City has again absorbed PMPA rate increases. This has been an effective policy since 1992 and has kept our electric rates competitive. Among our efficiencies: enhancements to our outage reporting systems, including a second shift dispatch position; we now boast a fully developed Key Accounts Program; we have increased our system reliability; the Smart Choice Program has been initiated and our growth in the commercial area has offset our dependence on residential customers. In addition to these accomplishments, we have met most of the capital needs of the Utility system with operating revenues which reduces the size and need for bond issues.

*Achieve efficiencies in Personnel.*

The City continues to strike a balance in streamlining the personnel area while rewarding employees so that we may remain competitive in a tight job market. We have reduced the City's workforce in 2000 for the ninth year in a row. Five full-time personnel reductions are included in the 2000 budget: Program Analyst (Human Resources), Financial Analyst (Finance - Budget), Equipment Operator II (Public Works), Construction Maintenance Supervisor (Public Works) and Sanitation Worker (Public Works). Four new full-time positions join our team in 2000: Development Assistant (Economic Development), Plans Examiner (Planning), and two Maintenance Mechanics (Water).

The tight job market demands that we attract and maintain quality people - our most valuable resource. The 2000 budget includes a 2% Cost of Living Adjustment, a 1% Merit Program and a Bonus Program. These tools help us maintain our efficiencies and our track record proves that. Since 1991, non-Public Safety staff has been reduced by 92 full-time positions.

*Support productivity with technology.*

The development of a new citywide information system has offered an opportunity to reengineer City processes to become more efficient and more customer oriented. The City is in the initial stages of developing a new initiative built around technology that will provide customer service in a way we have never done before. A consultant is assisting the City in the purchase of a new enterprise-wide package that will meet our needs well into the new century.

*Support strategic planning initiatives.*

As pioneers, we set a course for our community and future ambassadors to emulate. We are dedicated to the following planning initiatives:

*Develop a focal point plan for Celanese Road.* The citizens of Rock Hill will begin to see significant changes as a result of the improvements along the Celanese Road corridor. The City recognizes the need to serve citizens with proper corridor planning, zoning, overlay and coordination with the County (since portions of the road lie outside the City limits).

*Complete the Saluda Street Plan.* The City will take advantage of the County road widening project along Saluda Street by supplementing the project with improvements to develop the street into a Southern gateway for the City. This is a strategic opportunity for the City to redevelop the corridor with the assistance of Community Development Block Grant funds and other potential loan and grant pools. Optimism remains very high about the future of the

**Saluda Street corridor.**

*Complete a new master plan for downtown.* The City has had great success downtown. However, there are additional opportunities for redevelopment that will further strengthen the downtown. A major goal for the coming year is to develop a new vision for the core downtown and the surrounding neighborhoods and corridors.

*Prepare for the next Utility Bond Issue.* The City has several major utility expansion projects on the horizon. Several major water projects will include renovations of the water filter plant to provide additional capacity for the system. Expansion of the electric system will include construction of a new electric substation. The sewer system also will require several new strategic line replacements.

*Improve City telecommunications.* The City recognizes the need to continue to improve customer service in all aspects of telecommunications including 911 services, utility customer service calls and First Responder calls.

*Review park plans.* We will be working in Year 2000 to develop a master plan for the old City sewer lagoons that have been decommissioned and rehabilitated. This area, located along the Dave Lyle Boulevard corridor, is now primed for redevelopment. The City will also be developing a new master plan for the Southland Park area.

We will also be working to prioritize the next links on the trail system. We must also complete planning for the project around Winthrop Park as well as the White property along Dave Lyle Boulevard to increase green space in the urban area.

*Senior housing project.* Completion of the City's first residential project for seniors in the downtown area has provided momentum for the development of a second, a similar project. As a result, the City will be exploring opportunities for the next senior housing project downtown.

*Next business park.* The City will continue work on a partnership to develop our next business park. Construction has started on this next generation of business park that will include no direct City involvement. The Rock Hill Economic Development Corporation will lead the project and partner with private developers to complete this park.

*North Cherry Road improvements.* The City and York County will begin a cooperative effort in 2000 to begin construction and improvements along the North Cherry Road corridor. Initial construction projects will provide tremendous momentum for this project to redevelop the major corridor entrance to the City from Interstate 77.

*I-77 Corridor strategy.* The City continues to influence changes along the I-77 corridor in order to ensure high-quality development. While work began in 1999 on the I-77 road-widening projects, strict attention must be given to each side of the interstate in order to provide suitable development.

*Partner with Catawba Indian Nation.* Tremendous development opportunities exist for the Catawba Indian Nation. The City will work with the Catawbas to ensure the successful implementation of those projects. These projects include developments along Cherry Road, the Riverview Farms project and the Green Earth project.

**Conclusion**

Although the concepts herein remain similar to years past, our hurdles are higher and so are the opportunities. We remain competitive while providing our customers with great value. We have responded to Council's goals and have created a great place to live and do business. It is my pleasure to celebrate the successes of Council, staff and our neighborhoods. It is my duty to charge us all to remain innovative, take calculated risks and to address our new challenges.

Respectfully Submitted,

J. Russell Allen  
City Manager

## 2000/2001 Accomplishments

### Quality, Customer-focused Services

#### *Public Safety*

The City of Rock Hill continued to increase services to citizens in areas they feel are important - Police and Fire. 1999 achievements and highlights include:

- g Established the Multi jurisdictional Drug Enforcement Unit in Partnership with other York County law enforcement agencies
- g Participated with other County officials to initiate a countywide Crime stoppers program to be in place by June 30, 2000
- g Maintained a continued emphasis on Traffic Safety and Selective Traffic Enforcement through participation in two Americas' Buckle-Up Campaigns, procurement and strategic location of two Traffic Radar Trailers; conduct of ten traffic safety checkpoints, and extensive departmental training in the areas of Child Restraint Devices and Accident Reconstruction
- g Trained 63 fire department personnel in auto extrication and placed a fully equipped crash unit in service

#### *Neighborhood Empowerment*

- g The Neighborhood Empowerment Team continued working with existing neighborhood organizations and established new associations to help the City better serve neighborhoods' specific needs. There are now 75 identified neighborhood organizations.
- g Expanded the scope of the 1999 Neighborhood Forum by partnering with seven local agencies. This county wide forum featured four workshops and was attended by more than 200 York County residents
- g Administered a Neighborhood Matching Grant Program. \$15,000 in grant money yielded 12 projects valued at approximately \$35,000

#### *Streets, Sidewalks, Storm Drains*

The Street Division of the City of Rock Hill continued to work closely with the State Department of Transportation in order to ensure residents live in a premier community. Projects completed in 1999 include:

- g Partnered with the South Carolina Department of Transportation on repair/replacement of sidewalks, curb and gutter providing labor and equipment in exchange for all materials
- g Installed one of the first "traffic calming devices" on Charlotte Avenue and Myrtle Drive
- g Designed and installed a divided island located on Confederate and Willowbrook designed to control traffic and enhance community appearance

### Economic Growth/Business Diversification

#### *Business Parks*

- g The new \$1.3 million terminal was one of the many improvements completed at the Rock Hill-York County Airport adjacent to the Airport Industrial Park
- g Kings Electronics, a manufacturer of coaxial cable and connectors, relocated its headquarters and manufacturing plant to Waterford Business Park, investing \$10 million and creating 225 new jobs
- g Champion Roller relocated its corporate headquarters and its manufacturing operations to Waterford Business Park

#### *Downtown Redevelopment*

- g The Wachovia Plaza was completed in 1999. This 62,800 square-foot business center is home to The City Club, Bareco Products, and Collectibles on Main. The \$5 million investment in the project is the largest to date in the redevelopment of

the downtown area

## 2000/2001 Accomplishments

### *Corridor Development*

- g Manchester Associates has begun construction of "Manchester Village", a 125-acre urban village located at the intersection of Dave Lyle Boulevard and I-77. Manchester Village will feature office, restaurant, retail, entertainment and hotel establishments as well as a full range of residential options.
- g Plans to develop the Saluda Street corridor in conjunction with the County road widening project are in progress. These improvements will develop the street into the Southern gateway for the City.

### *Planning*

- g Construction activity continued at the very strong pace we enjoyed in 1996 and 1997. The projected total value of construction permits for 1999 are \$120 million, averaging 90 permit requests per month.
- g The Planning department received and processed a record number of new subdivision approvals.
- g Building inspectors conducted an average of 1,800 inspections per month in 1999.
- g Converted geographics information system (GIS) to CD-Rom to assist customers and developers

### *Utility Improvements/Expansion*

In response to an increase in area of 34% and an increase in population of 29% since 1990, the City continues to expand and upgrade the utility system. 1999 improvements and enhancements to the electric system include:

- g Completed Phase I of the Highway 5 road widening. This new circuit will also be used to serve power to new customers in the newly annexed areas along Highway 5.
- g Electric line relocation related to the Highway 161 road widening is 70% complete as of December 1999.
- g Completed the Mt Gallant Water Extension which will connect City water at the York County Museum to the county system on SC 274
- g Porter Road Water Extension extended City water from Porter Road to Long Meadow Road
- g Phase I of the 54" Raw Water Main was completed in advance of the widening on Celanese Road which necessitated the upgrade
- g The sewer division has continued to restore sewer line crossings at creeks where erosion has been a factor; these projects include Franklin Street, Burgis Creek and Stoney Branch

### *Financial Strength and Integrity*

A continued emphasis on long range financial planning is a cornerstone of the City's success. Options and strategies introduced and continued in 1999 include:

- g The Finance department continues to benchmark services to other communities in cooperation with the Palmetto Benchmarking Project.
- g Maintained leadership role for local governments in South Carolina with innovative business practices.
- g The Finance department continues to focus on the cost to serve models in core business areas..

### *High Quality of Life*

#### *Parks, Recreation & Tourism*

The Rock Hill Parks, Recreation & Tourism department continued to fulfill the recreational needs of our community. This year they were successful in partnering with neighborhoods and private business to fund various projects including

- g Rock Hill Bank and Trust contributed \$1,000 for the Fewell Park playground

## 2000/2001 Accomplishments

- g Hargett Memorial Fund, Inc. raised more than \$20,000 for Hargett Park irrigation system through special events, donors and volunteers

### *Recycling*

The Recycling/Community Improvement Division continued to expand programs and develop initiatives to both enhance revenues and reduce costs in 1999. 1999 Division Accomplishments include:

- g Continued to add new customers to commercial recycling routes—now serving 74 corrugated, 93 office paper and 10 hospitality customers
- g Completed study on volume based residential solid waste services
- g Attained \$1,887 in a DHEC grant award for the purchase of backyard composting bins

### *Awards*

- g The City of Rock Hill has again achieved national awards of financial excellence with the *Certificate of Achievement for Excellence in Financial Reporting* for the City's 1998 Comprehensive Annual Financial Report and the *Distinguished Budget Presentation Award* for the 1999 budget document.
- g Parks, Recreation & Tourism won *Outstanding Park Award* from the National Softball Association for the 12<sup>th</sup> straight year
- g The Recycling/Community Improvement Division of Public Works won DHEC awards for 1998's *Best Municipal Recycling Program* and for *Best Local Government Education Program*

## Conclusion

The City of Rock Hill has made significant accomplishments during 1999. The ongoing efforts of the City have been rewarding and the continued commitment to excellence has allowed the City to remain a front runner in South Carolina for innovative practices. The City of Rock Hill continues to emphasize the Cost to Serve model in key business areas, support strategic planning initiatives, and support productivity with technology. These strategies coupled with a workforce renowned for their initiative have contributed to our successes and allowed us to excel in South Carolina and the Southeast.

## 2001/2002 and 2002/2003 Budget Highlights

### Customer-focused Services

The 2000 budget for the City of Rock Hill totals \$96,830,490, an increase of \$6,624,435 over the 1999 adopted budget. The 2001 proposed budget totals \$100,293,802 an increase of \$3,463,312 over the 2000 budget. The budget includes funding for service operations and maintenance, capital expenditures for facility improvements and equipment, and principal and interest debt service payments.

The City of Rock Hill has worked very hard over the years to build a community of excellence. Below is a list of policy initiatives that have shaped past budgets and have helped make Rock Hill a first-class city. These initiatives continue to serve as the foundation for budget development.

### Support/Promote private investment

The City continues to be an attractive place for private development within the Charlotte region. In 1999, the City saw more than \$120 million in private investment. In order to meet the expected needs of this continued development - the City issued \$10.3 million in utility revenue bonds in 1998. The budget also includes \$265,000 in 2000 and 2001 to begin utility and landscaping improvements on Cherry Road.

### Innovative Business Practices

In an effort to improve service assessment and accountability, Rock Hill uses performance budgeting citywide. Performance budgeting helps link costs with results. Rock Hill is one of ten South Carolina cities participating in the Palmetto Benchmarking Project sponsored by the University of South Carolina that identifies best practice in municipal service delivery. Rock Hill is also a leader in the State and region for innovations in privatization or outsourcing. In 2000, one position is eliminated in Human Resources by the reassignment of telephone service maintenance to finance and one financial analyst position in the Finance (budget) Department with the reorganization of responsibilities. A street sweeper position is eliminated due to the outsourcing of all of the City's street sweeping program. Additionally, one full-time position is eliminated in 2000 in Property Maintenance due to the reassignment of supervisory responsibilities.

### Reduce Positions when possible

As service demands increase, the City has become more creative and progressive in efficient service delivery. The City has again eliminated non-public safety positions in the 2000-2001 budgets. Six full-time positions are eliminated in 2000/2001, bringing the cumulative total of reductions of non-public safety positions to 92 since 1991. The 2000/2001 position reductions occur without any service eliminations or program reductions. City employees are working harder and smarter to ensure citizens and customers receive the same high level of service they deserve and expect from the City.

### Remain competitive

The 2000 and 2001 budgets include no electric rate increase for our customers. A 1999 survey revealed that the City's residential electric rates ranked 11th out of 24 cities surveyed. The City's retail electric customers have not experienced a rate increase since 1992. The City has not increased retail electric rates but has absorbed PMPA wholesale rate increases each year.

### Provide a high level of service

The City has made a large investment in public safety since 1990. From 1990 through 1999, the total number of public safety positions increased by 40. The City continues to invest in public safety and in 2000 and 2001 will spend more than \$575,000 and \$784,000 each year respectively to replace marked and unmarked patrol vehicles. The budgets also include more than \$500,000 each year to purchase new side-loading and front loading residential garbage trucks to make the residential garbage service more

efficient and reduce crews from three to two men.

## 2001/2002 and 2002/2003 Budget Highlights

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**Recognize employee Performance** Included in both the 2000 and 2001 budgets are a bonus and a 1% merit compensation package to reward exceptional work of employees. In addition, both budgets include a 2% cost of living adjustment (COLA) for all employees on October 1 of each year.

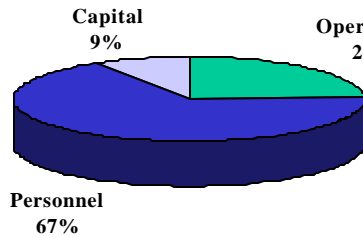
**Cost to Serve** The 2000 and 2001 budgets include a number of fee adjustments to help move businesses to cost to serve. Sewer rates increase by 12% in 2000. This increase will generate about \$869,400 and help move sewer service closer to cost to serve. An additional 8% rate increase for sewer is included in the 2001 proposed budget. In addition, water and sewer connection fees will increase for the second year in a row as scheduled to cover the direct costs of these services. In the general fund, property taxes still do not completely cover the cost of providing public safety. The City plans a 2 mill tax increase in the 2000 budget to help offset the increased cost of public safety as the City continues to experience tremendous growth in population. Property tax revenue still falls nearly \$1.7 million short of public safety expenses in 2000. Therefore, an additional 3 mill increase is included in the 2001 proposed budget. A 10% rate increase in sanitation fees is included in both the 2000 budget and the proposed 2001 budget. This rate increase is expected to generate \$321,586 and \$365,974 in 2000 and 2001, respectively.

**2000/2001 Revenues & Expenses** Overall revenues total \$96,830,490 for 2000 and \$100,293,802 for 2001. Revenues increase by \$6.62 million (7.3%) more than 1999 budgeted revenues. Revenues increase another \$3.46 million in 2000 (3.6%). The majority of revenue increases occur in the enterprise fund. Enterprise, or utility fund, revenues make up 71% and 70% of total revenues for Rock Hill in 2000 and 2001, respectively. Most of the utility revenue increases are due to normal growth in utility customer base and power consumption. There is a 12% increase in sewer rates in the 2000 budget that will generate an additional \$869,400 in income. There is an 8% increase in water rates in the 2000 budget that will generate an additional \$488,988 in revenues.

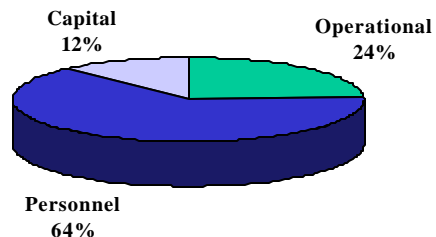
The 2000 budgeted expenses are 7.3% more than the 1999 approved budget--a \$6.62 million increase. The 2001 proposed expenses are 3.6% more than the 2000 approved budget--a \$3.46 million increase. Of the total 2000 budget, \$65,025,064 supports activities in the utility enterprise fund. For the 2001 budget, \$67,463,620 supports activities in the utility enterprise fund. Enterprise fund expenses for 2000 and 2001 comprise the majority of the increases in the budgets.

# 2001/2002 BUDGET COMPARED TO THE 2000/2001 BUDGET

## General Fund

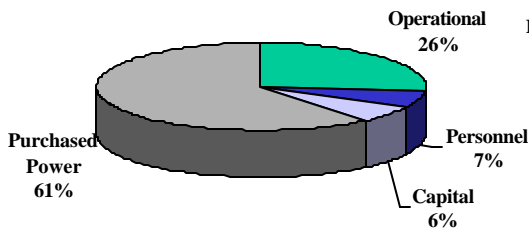


1999 Budget

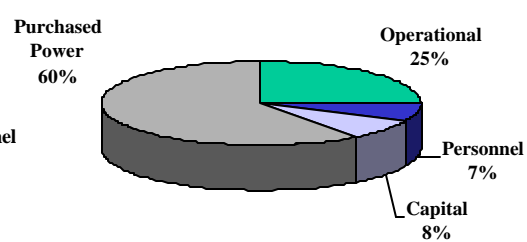


2000 Budget

## Enterprise Fund

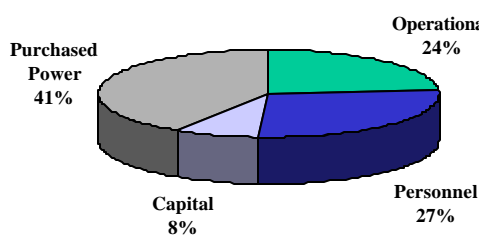


1999 Budget

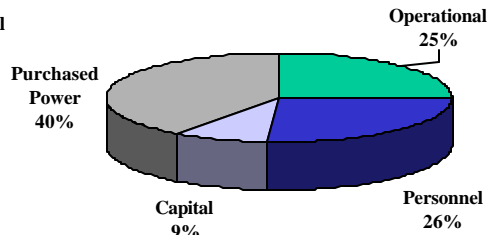


2000 Budget

## Total



1999 Budget



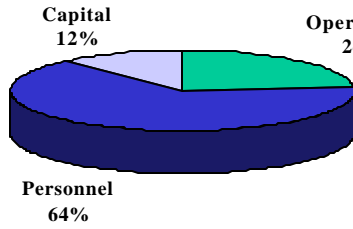
2000 Budget

# 2002/2003 BUDGET COMPARED TO

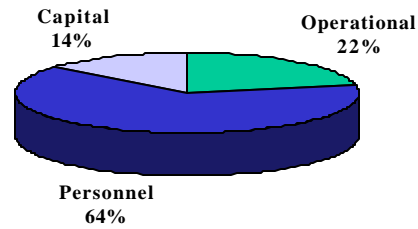
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## General Fund

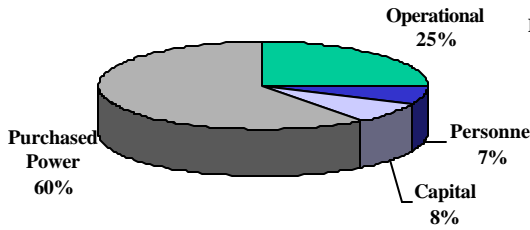


2000 Budget

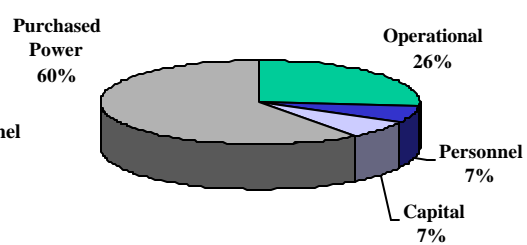


2001 Budget

## Enterprise Fund

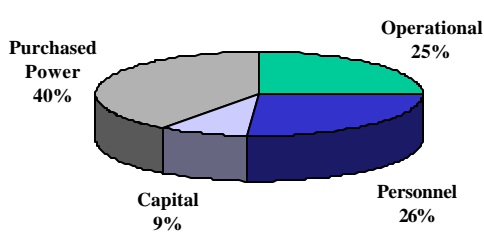


2000 Budget

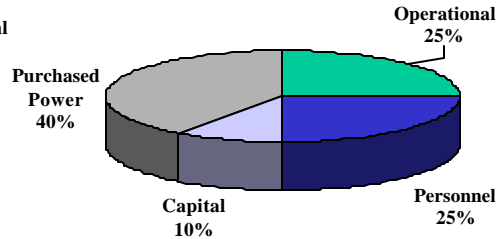


2001 Budget

## Total



2000 Budget



2001 Budget



SUMMARY OF GENERAL AND ENTERPRISE FUNDS - 2001/2002 APPROVED BUDGET  
COMBINED REVENUES AND EXPENDITURES/EXPENSES

## GENERAL FUND REVENUES

|                       |    |
|-----------------------|----|
| Property Taxes        | \$ |
| Licenses and permits  |    |
| Fines and forfeitures |    |
| Intergovernmental     |    |
| Charges for services  |    |
| Miscellaneous         |    |

## TOTAL GENERAL FUND REVENUES

## GENERAL FUND EXPENDITURES

- City Council
- City Management
- Municipal Court
- Legal Services
- Nondepartmental
- Economic Development
- Planning and Development
- Human Resources
- Finance
- Property Maintenance
- Police
- Fire
- Public Works
- Housing Authority
- Parks and Recreation
- General Fund Administrative transfers
- General Fund debt service
- General Fund capital projects

## TOTAL GENERAL FUND EXPENDITURES

## REVENUES OVER(UNDER)

EXPENDITURES-GENERAL FUND

## UTILITY ENTERPRISE/STORM WATER FUND REVENUES

- Electric sales
- Water sales
- Sewer sales
- Other utility revenue
- Investment earnings
- Storm Water

## TOTAL UTILITY ENTERPRISE/STM WTR REVENUES

## UTILITY ENTERPRISE/STORM WATER FUND EXPENSES

- Enterprise Fund Administrative transfers
- Enterprise Fund debt service
- Utilities Department (Excludes Depreciation)
- Enterprise Fund capital projects
- Storm Water

## TOTAL UTILITY ENTERPRISE/STM WTR EXPENSES

## REVENUES OVER(UNDER)

EXPENSES-UTILITY ENTERPRISE FUND

## REVENUES OVER(UNDER)

EXPENSES-CITYWIDE

0

Note: General Fund revenues fall short of meeting General Fund expenditures by \$ \_\_\_\_\_. This General Fund deficit is made up by a transfer from the Enterprise Fund of the same amount. The total combined City budget is \$ \_\_\_\_\_.

SUMMARY OF GENERAL AND ENTERPRISE FUNDS - 2002/2003 PROPOSED BUDGET  
COMBINED REVENUES AND EXPENDITURES/EXPENSES

## GENERAL FUND REVENUES

|                       |    |
|-----------------------|----|
| Property Taxes        | \$ |
| Licenses and permits  |    |
| Fines and forfeitures |    |
| Intergovernmental     |    |
| Charges for services  |    |
| Miscellaneous         |    |

## TOTAL GENERAL FUND REVENUES

## GENERAL FUND EXPENDITURES

- City Council
- City Management
- Municipal Court
- Legal Service
- Nondepartmental
- Economic Development
- Planning and Development
- Human Resources
- Finance
- Property Maintenance
- Police
- Fire
- Public Works
- Housing Authority
- Parks and Recreation
- General Fund Administrative transfers
- General Fund debt service
- General Fund capital projects

## TOTAL GENERAL FUND EXPENDITURES

## REVENUES OVER(UNDER)

EXPENDITURES-GENERAL FUND

## UTILITY ENTERPRISE/STORM WATER FUND REVENUES

- Electric sales
- Water sales
- Sewer sales
- Other utility revenue
- Investment earnings
- Storm Water

## TOTAL UTILITY ENTERPRISE/STM WTR REVENUES

## UTILITY ENTERPRISE/STORM WATER FUND EXPENSES

- Enterprise Fund Administrative transfers
- Enterprise Fund debt service
- Utilities Department (Excludes Depreciation)
- Enterprise Fund capital projects
- Storm Water

## TOTAL UTILITY ENTERPRISE/STM WTR EXPENSES

## REVENUES OVER(UNDER)

EXPENSES-UTILITY ENTERPRISE FUND

## REVENUES OVER(UNDER)

Note: General Fund revenues fall short of meeting General Fund expenditures by \$ \_\_\_\_\_. This General Fund deficit is made up by a transfer from the Enterprise Fund of the same amount. The total combined City budget is \$ \_\_\_\_\_.

## YEAR ENDING CONDITION/ENTERPRISE FUND TRANSFERS

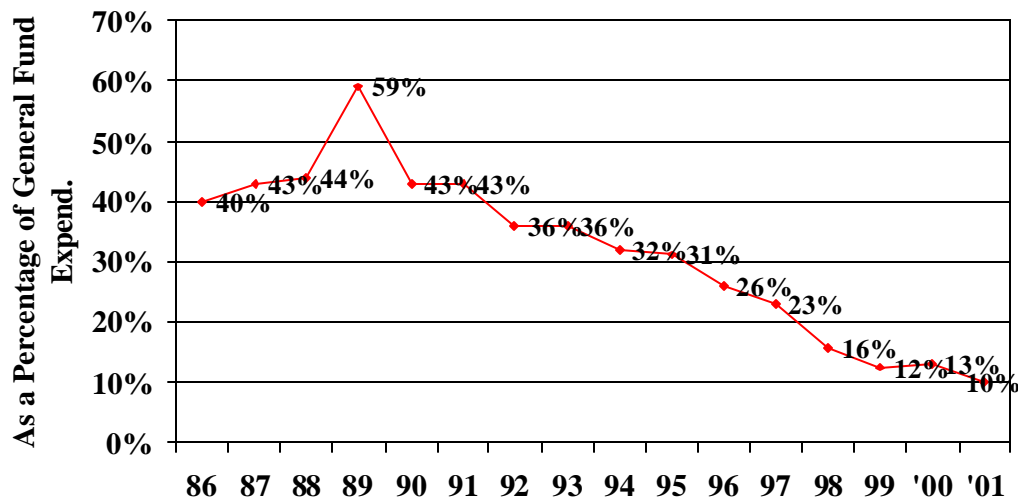
One part of the primary goal of the 2001/2002 and 2002/2003 budgets is to maintain the City's financial strength and integrity. To accomplish this, the City pursues several strategies. Service provision is routinely reviewed to control and reduce operating costs. During 1999, all employees worked to improve the efficiency of operations and cut costs. General fund expenditures for 1999 are projected to be 3.62% under budgeted amounts at year end. Total revenues are projected to be .84% over budgeted revenues. By accurately budgeting expenditures and increasing budgeted revenues, the City estimates ending 1999 with total combined expenses exceeding revenues.

The ending balance in 1999 maintains the City's combined, year-end cash balance of \$5,793,098. The City has been able to maintain its year-ending cash balance for the past three years. The increased fiscal reserves have eliminated the need for Tax Anticipation Notes. Increased reserves improve cash flow and strengthen the City's financial condition. Rock Hill will continue to implement methods to contain and reduce costs to increase year-end cash reserves. A detailed summary of year-ending condition is listed on the next page.

In addition to building cash reserves, the City also employs a financial strategy to reduce the amount of transfer from the enterprise fund to the general fund. Again, by aggressively containing costs in operating departments, the City has been able to reduce its enterprise fund transfer to the general fund from a high of \$12 million in 1989 to \$3.4 million in 1999, a reduction of 69%. The City is therefore relying less on utility revenues to meet obligations in the general fund. This has allowed the City to hold customer utility rates stable since 1992 while absorbing the purchased power rate increases from Piedmont Municipal Power Agency (PMPA).

For 2000, an enterprise fund transfer of \$4.05 million has been budgeted, which is \$1.0 million less than the \$5.05 million transferred in 1999. This transfer equals 12.75% of total General Fund expenditures. For 2001, an enterprise fund transfer of \$3.27 million has been budgeted, which is \$778,000 less than the \$4.05 million transferred in 2000. This transfer equals 9.98% of total General Fund expenditures.

### ENTERPRISE FUND TRANSFERS TO THE GENERAL FUND



enterprise fund transfer of \$4.05 million has been budgeted, which is \$1.0 million less than the \$5.05 million transferred in 1999. This transfer equals 12.75% of total General Fund expenditures. For 2001, an enterprise fund transfer of \$3.27 million has been budgeted, which is \$778,000 less than the \$4.05 million transferred in 2000. This transfer equals 9.98% of total General Fund expenditures.



**CHANGES IN YEAR ENDING CONDITION  
ALL FUNDS COMBINED**

|                              | <u>1998<br/>ACTUAL</u> | <u>1999<br/>ACTUAL</u> | <u>2000/2001<br/>PROJECTED</u> | <u>2001/2002<br/>BUDGET</u> | <u>2002/2003<br/>PROPOSED</u> |
|------------------------------|------------------------|------------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>CASH BALANCE-JAN 1</b>    | <b>\$5,761,981</b>     | <b>\$5,793,098</b>     | <b>\$4,782,296</b>             | \$4,782,296                 |                               |
| <b>REVENUES</b>              |                        |                        |                                |                             |                               |
| Property Taxes               | 11,859,537             | 12,740,800             | 14,226,474                     |                             |                               |
| Licenses and Permits         | 4,144,070              | 4,574,469              | 4,979,147                      |                             |                               |
| Fines and Forfeitures        | 900,100                | 783,734                | 812,000                        |                             |                               |
| Intergovernmental            | 1,373,003              | 1,471,507              | 1,388,507                      |                             |                               |
| Charges for Services         | 5,273,974              | 6,044,427              | 6,703,542                      |                             |                               |
| Miscellaneous                | 133,340                | 1,053,653              | 415,652                        |                             |                               |
| Electric Sales               | 47,840,012             | 48,540,664             | 50,567,876                     |                             |                               |
| Water Sales                  | 5,949,831              | 6,340,107              | 7,098,370                      |                             |                               |
| Sewer Sales                  | 7,210,062              | 7,426,841              | 8,948,663                      |                             |                               |
| Storm Water Revenue          | 738,244                | 810,033                | 933,388                        |                             |                               |
| Other Utility Revenue        | 558,619                | 614,043                | 619,600                        |                             |                               |
| Other/Invest Earnings        | <u>612,553</u>         | <u>435,523</u>         | <u>1,816,500</u>               |                             |                               |
| <b>TOTAL</b>                 | <b>86,593,345</b>      | <b>90,835,801</b>      | <b>98,509,719</b>              |                             |                               |
| <b>EXPENDITURES/EXPENSES</b> |                        |                        |                                |                             |                               |
| City Council                 | 181,518                | 185,164                | 177,245                        |                             |                               |
| City Management              | 343,906                | 389,721                | 438,106                        |                             |                               |
| Municipal Court              | 504,333                | 577,203                | 664,255                        |                             |                               |
| Legal Services               | 240,134                | 203,360                | 239,725                        |                             |                               |
| Non-departmental             | 1,332,184              | 1,310,204              | 1,825,775                      |                             |                               |
| Economic Develop.            | 340,796                | 331,737                | 401,348                        |                             |                               |
| Planning & Develop.          | 1,418,509              | 1,379,849              | 1,806,054                      |                             |                               |
| Human Resources              | 709,332                | 705,198                | 708,784                        |                             |                               |
| Finance                      | 3,379,580              | 3,409,529              | 4,128,973                      |                             |                               |
| Property Maintenance         | 2,511,534              | 2,583,728              | 2,240,993                      |                             |                               |
| Police                       | 6,263,854              | 6,612,951              | 7,068,451                      |                             |                               |
| Fire                         | 3,190,242              | 3,366,492              | 3,339,301                      |                             |                               |
| Public Works                 | 4,415,487              | 4,531,979              | 4,837,733                      |                             |                               |
| Housing Authority            | 753,600                | 801,362                | 818,046                        |                             |                               |
| Parks and Recreation         | 2,899,743              | 2,891,567              | 2,862,387                      |                             |                               |
| GF Admin. Trans              | (3,200,000)            | (3,109,372)            | (3,500,000)                    |                             |                               |
| GF Debt Service              | 2,939,949              | 2,921,545              | 2,931,250                      |                             |                               |
| GF Capital Projects          | 461,502                | 521,755                | 1,188,250                      |                             |                               |
| EF Admin. Trans.             | 3,200,000              | 3,109,372              | 3,500,000                      |                             |                               |
| EF Debt Service              | 6,392,590              | 6,632,793              | 7,562,910                      |                             |                               |
| Utilities Department         | 11,695,668             | 13,164,159             | 13,808,305                     |                             |                               |
| Purchased Power              | 35,509,243             | 37,456,883             | 39,773,440                     |                             |                               |
| Storm Water                  | 738,244                | 816,258                | 933,388                        |                             |                               |
| EF Capital Projects          | <u>340,280</u>         | <u>210,411</u>         | <u>755,000</u>                 |                             |                               |
| <b>TOTAL</b>                 | <b>86,562,228</b>      | <b>91,003,848</b>      | <b>98,509,719</b>              |                             |                               |
| <b>DIFFERENCE</b>            | <b>31,117</b>          | <b>(168,047)</b>       | <b>0</b>                       | <b>0</b>                    |                               |
| <b>CASH BALANCE-DEC 31</b>   | <b>\$5,793,098</b>     | <b>\$5,625,051</b>     | <b>\$4,782,296</b>             |                             |                               |

AN ORDINANCE TO RAISE REVENUE, ADOPT A BUDGET AND WORK PROGRAM  
FOR THE CITY OF ROCK HILL, S.C. FOR THE FISCAL YEAR ENDING  
June 30, 2002, AND TO AUTHORIZE THE ISSUANCE OF TAX  
ANTICIPATION NOTES FROM TIME TO TIME DURING THE FISCAL YEAR  
2001/2002

BE IT ORDAINED by the Governing Body of the City of Rock Hill, in Council assembled:

SECTION 1. That this Ordinance is being adopted in order to effect proper compliance with the provisions of the Home Rule Act of 1975, now South Carolina Code of Laws for 1976, Section 5-7-30 and Section 5-7-260 and Section 2-49 of the Code of the City of Rock Hill.

SECTION 2. That this Ordinance was adopted by the Rock Hill City Council by a positive majority vote.

SECTION 3. That, in addition, this Ordinance is enacted in order to comply with Section 6-1-330 of the South Carolina Code, 1976 (as amended), following public notice of a public hearing on December 13, 1999 at 6:00 p.m. in the Rock Hill City Hall Council Chambers with public input duly noted.

SECTION 4. That the proposed budget with proposed estimated revenue for payment thereof, as prepared and as contained in and shown by an archives copy on file in the office of the Municipal Clerk, and available for public inspection, which copy is incorporated herein by reference, is hereby adopted and made a part hereof. The budget as shown therein is balanced as to receipts and disbursements in the total sum of \$96,830,490.

SECTION 5. That for the calendar year 2000, a tax of 106 mills (\$1.06 per \$1,000) upon every dollar of the value of all taxable property, real and personal, within the corporate limits of the City of Rock Hill be and the same is hereby imposed and levied for the purposes of: (1) defraying the ordinary current expenses of the government of the City of Rock Hill for the year 2000; (2) paying the floating indebtedness of said City, if any, during the year 2000; (3) paying interest on the bonded indebtedness of the City of Rock Hill, past due or that may become due during the year 2000, or during the month of

January, 2001; and (4) paying bonds maturing in the year 2000 or in the month of January, 2001; provided, however, that, pursuant to the provisions of S.C. Code of 1976, Section 12-37-2640, the millage applied by the County Auditor in calculating taxes on motor vehicles licensed during 2000 shall be the millage applicable to other taxable property within the City for the preceding regular tax year (i.e., 106 mills).

SECTION 6. That to facilitate operations, there shall be established and maintained a General Fund, an Enterprise Fund, and other appropriate funds, in such amounts as are provided for in the budget aforesaid, as hereby adopted or as hereafter modified pursuant to law.

SECTION 7. That the City Manager is hereby authorized to transfer any sum from one budget line item to another, or from one department or division to another department or division; provided, however, that no such transfer shall (a) be made from one fund to another fund established pursuant to Section (3) above, or (b) conflict with any existing Bond Ordinance. Any change in the budget which would increase or decrease the total of all authorized expenditures must be approved by City Council. Any change in the budget which alters the use of funds exceeding \$1,000.00 shall be reported to City Council within thirty (30) days.

SECTION 8. As permitted by Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended and Section 11-27-40, Code of Laws of South Carolina, 1976, as amended, the Council is hereby empowered to authorize the issuance of tax anticipation notes in the aggregate principal amount of not exceeding \$5,000,000 (the "TANs") in anticipation of the collection of taxes imposed and levied by this Ordinance. The TANs may be issued at any time or from time to time during 2000; shall be issued pursuant to a Resolution adopted by Council; may be issued in bearer form or fully registered form upon such terms and conditions as prescribed in such Resolution; shall be issued in the principal amounts, mature and bear interest as prescribed in such Resolution; may be sold by negotiated or public sale upon such terms and conditions as the

Council prescribes in the Resolution.

SECTION 9. That if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by valid judgement or decree of any Court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, which remaining parts shall be considered as severable and shall continue in full force and effect.

SECTION 10. That all ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 11. That this ordinance shall take effect, following its first and second reading and adoption, effective as of and from January 1, 2000, and shall continue in effect during the next twelve (12) months of the calendar and fiscal year 2000.

DONE AND RATIFIED in Council assembled on this 20th day of December 1999.

\_\_\_\_\_  
A. Douglas Echols, Jr., Mayor

\_\_\_\_\_  
Kevin H. Sutton, Mayor Pro Tempore

\_\_\_\_\_  
Maxine K. Gill, Councilmember

\_\_\_\_\_  
C. Robert Herron, Councilmember

\_\_\_\_\_  
James C. Reno, Jr., Councilmember

\_\_\_\_\_  
Osbey Roddey, Councilmember

\_\_\_\_\_  
Winston Searles, Councilmember

ATTEST:

\_\_\_\_\_  
David B. Vehaun

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## **BUDGET PROCESS AND BUDGET AMENDMENTS**

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### **BUDGET PROCESS**

The budget process begins in January with a special, comprehensive work session in which the Finance Department and Manager's Office meets with all Departments to discuss current and future trends, needs, and goals of the City. During this meeting the budget calendar is reviewed and budget manuals are distributed to each department. These manuals contain a detailed description of the mechanics associated with the budget (e.g., computer entry directions, a chart of accounts, and all forms to be used throughout the process.)

Each department then prepares a comprehensive list of goals, objectives and performance measures that highlight the programs, projects, and initiatives they would like to have considered for the upcoming budget year. This serves as a guide by which each department then prepares its expenditure requests. Uncompleted goals from previous years are included in these goals along with initiatives for the upcoming year.

During this time the Finance Department prepares revenue estimates for both the current and upcoming years. Appropriate departments also prepare their own revenue projections for those revenue items affecting their departments.

Each department then meets individually with the Manager's Office and the Budget Office to review program budgets and expenditure requests. During these meetings the goals of each department are reviewed and expenditure requests are evaluated to determine the fiscal resources necessary to accomplish these goals.

Following these meetings the Manager's Office and the Finance Department meet to prepare a draft budget for submission to City Council. This draft budget is submitted to Council at formal budget workshops held in May and June. The public has an opportunity to comment on the budget at the time of first reading on the ordinance to adopt the budget. A draft copy of the budget is made available prior to first reading to anyone interested in commenting on the budget. Two readings are required for formal adoption of the budget. State law requires the City Council to adopt a balanced budget prior to June 30. Amendments to the budget are allowable under South Carolina law and are made throughout the year as necessary.

A detail of the budget calendar is included on the following page.

### **BUDGET AMENDMENTS**

The City Manager is authorized to transfer any sum from one budget line to another, or from one department or division to another department or division; however, no transfer can be made from one fund to another fund. Any change in the budget

which would increase or decrease the total of all authorized expenditures must be approved by City Council. Any change in the budget which alters the use of funds exceeding \$1,000 must be reported to Council within thirty days.

## 2001/2002 BUDGET CALENDAR

---

|                         |   |
|-------------------------|---|
| <b>Feb 5, 2001</b>      | Budget Office distributes Budget Manual to Department Directors and Supervisors.  |
| <b>Feb 5 - Feb 28</b>   | <p>Department Directors prepare the following and submit to Budget Office:</p> <ul style="list-style-type: none"> <li>2000/2001 Revenue Projections (due Feb 28)</li> <li>2001/2006 Revenue Recommendations (due Feb 28)</li> <li>New Positions to be added to the Pay and Classification manual (due Aug 31)</li> </ul> <p>Personnel Changes Narrative-New and Additional Staff (due Feb 28)<br/>         Deadline for reorganization requests to be submitted to the Budget Office in writing</p>   |
| <b>March 6</b>          | <p>Department Directors prepare the following and submit to Budget Office:</p> <ul style="list-style-type: none"> <li>2001-2010 Capital Improvement Requests (due Mar 6)</li> <li>Performance Budgets - complete with goals, objectives and performance indicators.(due Mar 6)</li> </ul>   |
| <b>Mar 1 - Mar 30</b>   | <p>Department Directors prepare the following and submit to Budget Office</p> <ul style="list-style-type: none"> <li>2000/2001 Line Item Expenditure Actual Projections (due Mar 30)</li> <li>2001/2002 Line Item Expenditure Budget Requests (due Mar30)</li> <li>2002/2003 Line Item Expenditure Budget Requests (due Mar30)</li> <li>PC Request Forms turned into Budget Office (due Mar 30)</li> <li>Vehicle Request Forms turned into Budget Office (due Mar 30)</li> <li>Issue papers turned into Budget Office (due Mar 30)</li> </ul> |
| <b>Apr 2 - Apr 24</b>   | City Manager's Office and Budget Office review budgets with Department Heads  |
| <b>Apr 25 - May 23</b>  | Budget Office prepares draft budget for submission to City Council  |
| <b>May 23 - June 15</b> | City Manager's Office and Finance Director review proposed budget with City Council   |
| <b>May 28</b>           | Advertise Projected Budget Totals in the Newspaper  |

**June 11** Budget Ordinance - First Reading

**June 25** Budget Ordinance - Second Reading and Adoption

**July 1, 2001** Begin fiscal year

# CITY INFORMATION

## GENERAL INFORMATION

The City, founded in 1852 and incorporated in 1892, is located in the eastern central area of York County, South Carolina, 25 miles south of Charlotte, North Carolina. The City encompasses approximately 31.82 square miles. The 2000 population of the City is 52,592 with a total of 88,951 people living in the Greater Rock Hill area.



Since January 1988 the City has had 103 annexations. A total of 6,941.82 acres has been annexed by the City over this period, approximately 10.8478 square miles. These annexations have added 2,068 residents to the City. The City has achieved all annexations in spite of the most restrictive annexation laws in the nation.

### Population of Rock Hill Last 10 Fiscal Years

|      |        |
|------|--------|
| 1991 | 42,225 |
| 1992 | 42,800 |
| 1993 | 43,004 |
| 1994 | 44,002 |
| 1995 | 44,621 |
| 1996 | 45,601 |
| 1997 | 48,772 |
| 1998 | 50,289 |
| 1999 | 52,592 |
| 2000 |        |

The City operates under the Council-Manager form of government. The governing body is composed of a mayor elected at large, and six council members elected by ward, each for four-year staggered terms. The Council is a legislative body establishing policies with recommendations by the City Manager who administers all departments of the City. All department heads are appointed by the City Manager.

## FINANCIAL MANAGEMENT SYSTEMS

### Budgetary and Accounting Systems

The accounting policies of the City of Rock Hill conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies applicable to revenues and expenditures.

### A. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

**Governmental Funds** - Governmental funds are used to account for all or most of a government's general activities. The City maintains General, Special Revenue and Capital Projects Funds.

*General Fund* - The General Fund is the City's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, intergovernmental revenues, and sanitation service charges. Primary expenditures are for general government, public safety, public works, debt service, and parks and recreation.

*Special Revenue Fund* - The Special Revenue Fund is used to account for the proceeds from specific revenue sources (other than funding for major capital projects) that are legally restricted to expenditures for specified purposes. The City does not adopt a budget for the Special Revenue Fund because it primarily serves as a pass-through for federal grants.

*Capital Projects Fund* - The Capital Projects Fund accounts for financial resources, including bond proceeds and intergovernmental grants, used for the acquisition, construction or improvement of major general government facilities. The City does not adopt a formal budget for the Capital Projects Fund, although particular projects are detailed within this budget in the "Bond Schedule" section.

**Proprietary Funds** - Proprietary Funds are used for activities where the determination of net income is necessary to sound financial administration.

*Enterprise (or Utility) Funds* - An enterprise (or utility) fund is used to account for operations which provide goods or services and recover costs through user charges in a manner similar to private business enterprises. The City maintains an enterprise fund to account for water, sewer, and electric services

provided to approximately 75,383 customers within the City and its surrounding areas. Services are supplied to customers under a rate structure designed to produce revenues sufficient to recover operating expenses, including principal and interest on Enterprise Fund debt.

**B. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund are determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet.

Governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are deemed susceptible to accrual and are recognized in the period when they become measurable and available. Expenditures are recognized when the fund liability is incurred, except principal and interest on general long-term debt which is recognized when due or when funds have been made available for payment.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

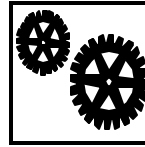
**C. Basis of Budgeting**

In accordance with the General Statutes of the State of South Carolina, the City Council is required by state statute to adopt an annual balanced budget ordinance for the Combined General and Enterprise Operating Funds prior to July 1. Project ordinances are adopted for the Special Revenue and Capital projects funds when necessary. All budgets are prepared using the modified accrual basis of accounting. City Council has the authority to amend the budget ordinance. Appropriations lapse at the end of the budget year.

Appropriations are authorized in the annual budget ordinance generally at the department level. The legal level of budgetary control is at the fund level; however, in practice, the City maintains control at the department level. Administrative control is further maintained through more detailed line-item budgets. The City adopts this budget for the General Fund (Fund 01) and the Enterprise Fund (Fund 03).

**THE COMBINED UTILITY SYSTEM**

The System is a municipally owned and operated combined utility system which provides electrical, water, and sewer service within the City and its surrounding areas. Rates are set by City Council. The System presently serves approximately 75,383 people, including the residential and commercial part of the City and its suburbs.



The system is managed by the Utility Department which consists of four divisions: (1) Electric; (2) Water Distribution and Sewer Collection; (3) Water and Wastewater Treatment; and (4) Administration and Engineering. The 2001/2002 budget provides for employees for the water system, for the sewer system, for the electric system, and administrative and support employees for the System. In addition, the Finance Department employs employees for meter reading, billing, and collection.

**Electric System**

The City has operated the electric system since 1911. The electric system consists of four substations which serve 19 distribution feeder circuits of 25,000 volts and six substations which serve 24 distribution feeder circuits at 4,160 volts. Currently, the City purchases electric power from Piedmont Municipal Power Agency ("PMPA"), of which it is a member, and Southeastern Power Agency at wholesale rates and retails to local consumers through the City-owned distribution lines.

The City is a member of the American Public Power Association and the South Carolina Association of Municipal Power Systems. A mutual assistance agreement with 20 other members provides for mutual assistance in extreme emergencies such as ice storms, tornados, and hurricanes.

**Number of Customers - Electric System  
Last Ten Fiscal Years**

|      |        |
|------|--------|
| 1991 | 20,709 |
| 1992 | 20,823 |
| 1993 | 21,177 |
| 1994 | 21,617 |
| 1995 | 22,175 |
| 1996 | 22,738 |
| 1997 | 23,694 |
| 1998 | 24,563 |
| 1999 | 25,463 |
| 2000 |        |

**Water System**

In August 1986, the City's new raw water intake and pumping station became operational. The new intake is located on Lake Wylie, a Duke Power Company lake constructed in 1915. The distribution system serves an area of approximately 26.74 square miles, including 4.32 square miles outside the City limits. Recent inspections of significant portions of the water system

indicate that the system generally is in good condition. Within the water system 3.5 million gallons of elevated storage and 2.0 million gallons of ground storage is provided. The water system serves both residential and industrial customers. The Rock Hill filter plant has a capacity of 20 MGD. The plant will easily produce up to 24 MGD upon completion of the new raw water force main, which is presently under construction.

**Number of Customers - Water System  
Last Ten Fiscal Years**

|      |        |
|------|--------|
| 1991 | 16,975 |
| 1992 | 17,100 |
| 1993 | 17,426 |
| 1994 | 17,950 |
| 1995 | 18,528 |
| 1996 | 18,953 |
| 1997 | 19,725 |
| 1998 | 20,663 |
| 1999 | 21,434 |
| 2000 |        |

**Wastewater System**

Wastewater treatment for the City is presently accomplished at the Manchester Creek Treatment Facility which was renovated and upgraded in 1990. (Additional upgrades were made in 1997). The 15 MGD combination trickling filter/activated sludge plant treats all of the City's waste and a significant amount of waste collected by York County from areas outside of the City limits.

**Number of Customers - Sewer System  
Last Ten Fiscal Years**

|      |        |
|------|--------|
| 1991 | 17,475 |
| 1992 | 17,668 |
| 1993 | 18,051 |
| 1994 | 18,598 |
| 1995 | 19,014 |
| 1996 | 19,415 |
| 1997 | 20,168 |
| 1998 | 21,011 |
| 1999 | 21,928 |
| 2000 |        |

The collection system with drainage to the south was renovated in 1986 by directing the consolidated south side flow into one large pumping station. The consolidated pumping station located on Wildcat Creek discharges to a gravity sewer which flows to the Manchester Creek Treatment Facility. The north side collection system flows largely by gravity into the Manchester Creek Treatment Facility. Service to some small isolated developments requires the use of 15 pumping stations.

**ECONOMIC CONDITIONS**

The City is centrally located to all Eastern and Southeastern

markets. It is in the center of the country's fifth largest trade area with approximately five million people in a 100-mile radius.



Over half the United States population can be reached within a day's drive or a 90 minute flight. The Charlotte/Douglas International Airport, just 30 minutes from Rock Hill, is growing rapidly, with more than 250 flights to 100 cities, including London and the Bahamas. The Rock Hill/York County Municipal Airport is also growing as

a center for general aviation aircraft.

The City is considered to be one of the most progressive municipalities in the State of South Carolina and has become a planning prototype for the entire Charlotte Metropolitan Statistical Area. The overall economic condition of the City continues to lead both state and national indicators. The approximate construction costs for all construction activity were more than \$120,000,000.

**Major Employers of York County**

| <u>Employers</u>                       | <u># of Employees</u> |
|--|-----------------------|
| Rock Hill School District Number Three | 1,750                 |
| Duke Power Company                     | 1,520                 |
| Piedmont Medical Center                | 1,400                 |
| Bowater                                | 1,150                 |
| Winthrop University                    | 960                   |
| Hoechst Celanese                       | 900                   |
| City of Rock Hill                      | 774                   |
| York County                            | 667                   |
| York Technical College                 | 430                   |

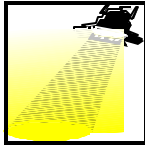
The City's continuing efforts to invest in itself have also been fruitful. Each of the City's four business parks continues to be a magnet for new jobs and diversified economic development. Cognetics Real Estate, Inc. predicts that in terms of employment growth, the overall performance of the Rock Hill area will be above average relative to other submarkets in the Charlotte metropolitan area during the next five years. Cognetics also predict that the Rock Hill area will rank above the Southern region's average in terms of industrial space growth.

**Unemployment Rate for Rock Hill**

|                  |      |
|------------------|------|
| 1991             | 6.4% |
| 1992             | 7.5% |
| 1993             | 7.0% |
| 1994             | 6.7% |
| 1995             | 5.2% |
| 1996             | 5.2% |
| 1997             | 4.5% |
| 1998             | 4.1% |
| 1999 (September) | 5.6% |
| 2000             |      |

## ARTS

The arts are an important part of the quality of life in any community. In Rock Hill, the **Rock Hill Arts Council (RHAC)** serves as the hub of cultural activities. The arts council provides a network for cooperation between cultural organizations and provides the public with a central location for information and tickets.



**Arts etc.** cosponsors a Concert Series with Winthrop University, which helps fund the Artists-In-Schools program. The concert series annually offers nationally acclaimed performers. Through the School of Visual and Performing Arts, **Winthrop University** offers a variety of arts programs each year. *Winthrop Galleries*, located in Rutledge Building and McLaurin Hall, exhibits the work of local, regional and national artists. The Department of Music and the Department of Theatre & Dance schedule campus performances by guest artists, faculty and students throughout the year.

The **Rock Hill Community Theatre (RHCT)** is dedicated to providing quality theatrical entertainment for the residents of York County. The RHCT annually stages 4-6 performances. The 80-voice **York County Choral Society (YCCS)** is annually accompanied by members of the Charlotte Symphony and provide 4-6 performances. Finally, the **York County Concert Ballet** offers two full length ballets each year.

## EDUCATION

Public and private elementary, secondary, and post-secondary educational opportunities in Rock Hill mark the City's strong commitment to learning at all levels. With an enrollment of **14,810**, **Rock Hill School District Number Three** is the largest of York County's four school systems. Its **22 attendance centers include a vocational training center, two high schools, four middle schools, and fifteen elementary** schools.



**Winthrop University** has been a Rock Hill landmark since 1886. Winthrop's 100-acre tree-lined main campus is complemented by a nearby 450 acre sports and recreation facility. Winthrop has an enrollment of more than **5,000** students. **Twenty** percent of these students are pursuing postgraduate degrees. **York Technical College** is a public institution offering both technical and college transfer courses. Established in 1964, the College is one of 16 state funded technical colleges in the state. Enrollment today has reached more than **3,600 credit students in more than 50** credit programs. Under the supervision of the AME Zion Church, **Clinton Junior College** offers associate degrees in business, divinity, and liberal arts. Founded in 1894, the college offers a holistic approach to educating minds, bodies and spirits.

## HEALTH CARE

The central place of local health care is **Piedmont Medical Center**. The **268-bed** hospital offers the best physicians in every area of specialties. More than fifty medical facilities and several hundred physicians provide access to medical services.

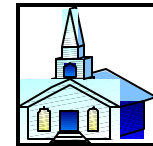


Additional health care services in the area include surgical, cancer, neurological, psychiatric, and heart centers, as well as obstetrics, pediatrics, hospice, and a full range of elderly care.

## CHURCHES

The Rock Hill religious community has a long tradition of helping one's neighbor. The abundance of churches in the Rock Hill area show the importance of religion in the lives of area residents. More than

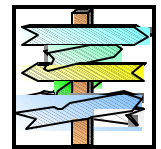
100 churches representing a wide range of denominations can be found in Rock Hill.



The unique architectural diversities of church buildings also contribute to the City's beauty and history.

## POINTS OF INTEREST

The focal point of beauty in the City is **Glencairn Gardens**. This six-acre, award winning park is artistically landscaped with dogwoods, flowering shrubs, bulbs, and more than 3,000 azaleas. Thousands of seasonal annuals bloom almost year round, making it a popular setting for weddings, picnics, and strolls.



**Cherry Park** is an award winning 68-acre recreational facility with a control tower surrounded by five softball fields, 1.5 miles of bicycle/walking trails, picnic and playground areas, and multipurpose fields for soccer and football. The area boasts four museums.

The Rock Hill Telephone Company Museum offers a free hands-on tour through 100 years of providing communications to the area. **The Museum of York County** and the **Catawba Cultural Center** are two other museums in the area. The Museum of York County offers the worlds largest exhibition of hooved, mounted African mammals. The Catawba Cultural Center was created to preserve the heritage of the Catawba Indian Culture. This exhibit offers insights into the lifestyles of our first settlers.

**STATISTICS**

**Total Estimated and Assessed Value of Taxable Property  
Last Ten Fiscal Years**

| Fiscal Year | Tax Year | Real Property Estimated Value | Real Property Assessed Value | Personal Property Estimated Value | Personal Property Assessed Value | Total Estimated Value | Total Assessed Value |
|-------------|----------|-------------------------------|------------------------------|-----------------------------------|----------------------------------|-----------------------|----------------------|
| 1991        | 1991     | 857,013,318                   | 43,370,886                   | 266,982,876                       | 24,133,202                       | 1,123,996,194         | 67,504,088           |
| 1992        | 1992     | 1,086,719,369                 | 54,895,495                   | 271,630,286                       | 24,621,180                       | 1,358,349,655         | 79,516,675           |
| 1993        | 1993     | 1,120,606,351                 | 56,819,471                   | 277,701,081                       | 25,441,096                       | 1,398,307,432         | 82,260,567           |
| 1994        | 1994     | 1,147,517,186                 | 57,775,943                   | 282,216,814                       | 25,869,093                       | 1,429,734,000         | 83,645,036           |
| 1995        | 1995     | 1,178,910,884                 | 59,359,639                   | 308,152,533                       | 28,223,006                       | 1,487,063,417         | 87,582,645           |
| 1996        | 1996     | 1,250,442,390                 | 64,289,591                   | 362,743,576                       | 34,901,078                       | 1,613,185,966         | 99,190,669           |
| 1997        | 1997     | 1,303,486,779                 | 66,732,042                   | 379,708,414                       | 35,819,181                       | 1,683,195,194         | 102,551,223          |
| 1998        | 1998     | 1,373,564,211                 | 70,139,798                   | 383,242,471                       | 36,247,317                       | 1,756,806,682         | 106,387,115          |
| 1999        | 1999     | 1,631,287                     | 70,042,110                   | 409,546,510                       | 38,831,176                       | 1,781,177,797         | 108,873,286          |
| 2000        | 2000     |                               |                              |                                   |                                  |                       |                      |

Note: Total Assessed Value does not include \$2,071,740 assessment for manufacturer's inventory that is exempt from the total tax levy. Also, 1993 assessed values increased only slightly due to abatements that occurred after the assessed value was set in the 1992 reassessment year.

**Computation of Legal Debt Margin  
January 1, 2001**

|  |           |
|--|-----------|
| Total Assessed Value                           | \$ _____  |
| Debt Limit - 8 percent of Total Assessed Value | _____     |
| Total Amount of Debt Applicable to Debt Limit  | 6,260,000 |
| Legal Debt Margin                              | _____     |

Note: The City is authorized by state statute to exceed the legal debt margin of 8%, if such additional debt is approved by citizens of the City of Rock Hill, assessed value includes the 1987 assessed value of merchants' inventory of \$2,071,740.

**Ratio of Net General Bonded Debt to Assessed Value  
And Net General Bonded Debt Per Capita  
Last Ten Fiscal Years**

| Fiscal Year | Population | Assessed Value | Net General Bonded Debt | Net Bonded Debt Per Capita | Ratio of Net Debt To Assessed Value |
|-------------|------------|----------------|-------------------------|----------------------------|-------------------------------------|
| 1991        | 42,225     | 70,411,683     | --                      | .00                        | .00                                 |
| 1992        | 42,800     | 83,332,055     | --                      | .00                        | .00                                 |
| 1993        | 43,004     | 83,394,787     | 6,400,000               | 148.82                     | 7.67                                |
| 1994        | 44,002     | 88,505,771     | 6,200,000               | 140.90                     | 7.01                                |
| 1995        | 44,620     | 87,582,645     | 5,975,000               | 133.91                     | 6.82                                |
| 1996        | 45,600     | 99,190,669     | 5,750,000               | 126.10                     | 5.80                                |
| 1997        | 48,772     | 102,551,223    | 6,850,000               | 140.45                     | 6.67                                |
| 1998        | 50,289     | 106,387,115    | 6,555,000               | 130.35                     | 6.16                                |
| 1999        | 52,592     | 108,873,286    | 6,260,000               | 119.03                     | 5.75                                |
| 2000        |            |                |                         |                            |                                     |

**STATISTICS**

**IMPACT OF TAX/UTILITY RATES ON TYPICAL HOUSEHOLD**

| <u>Assuming</u>                 | <u>1997</u>  | <u>1998</u>  | <u>1999</u>  | <u>2000</u>  | <u>2001</u>  |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Electricity Charge on 1,000 kWh | 82.80        | \$82.80      | \$82.80      | \$82.80      | \$82.80      |
| Garbage (including Recycling)   | 9.12         | 9.12         | 9.71         | 10.68        | 11.75        |
| Water Charge on 7,500 gallons   | 13.16        | 13.82        | 13.82        | 14.87        | 14.87        |
| Sewer Charge on 7,500 gallons   | 19.85        | 19.85        | 20.84        | 23.30        | 25.18        |
| Taxes on a \$75,000 Home        | <u>25.00</u> | <u>26.00</u> | <u>26.00</u> | <u>26.50</u> | <u>27.25</u> |
| <b>TOTAL</b>                    | \$149.93     | \$151.59     | \$153.17     | \$158.15     | \$161.85     |

*A slight sewer increase, water increase, tax increase, business license increase and sanitation increase are included for the average business in the 2001/2002 Budget.*

**IMPACT OF TAX/UTILITY RATES ON TYPICAL BUSINESS**

| <u>Assuming</u>                             | <u>1997</u>  | <u>1998</u>  | <u>1999</u>  | <u>2000</u>  | <u>2001</u>   |
|---|--------------|--------------|--------------|--------------|---------------|
| Electricity Charge on 24,000 kWh            | \$1,834.19   | \$1,834.19   | \$1,834.19   | \$1,834.19   | 1834.19       |
| Garbage-5 day pickup/8 cubic yard container | 281.18       | 281.18       | 299.46       | 329.41       | 345.88        |
| Water Charge on 38,700 gallons              | 40.70        | 42.74        | 42.74        | 45.75        | 45.75         |
| Sewer Charge on 38,700 gallons              | 72.65        | 72.65        | 76.28        | 81.33        | 87.89         |
| Taxes on \$250,000 value business           | 125.00       | 130.00       | 130.00       | 132.50       | <b>136.25</b> |
| Business License on \$1,000,000 sales       | <u>81.09</u> | <u>81.09</u> | <u>85.66</u> | <u>87.49</u> | <u>87.49</u>  |
| <b>TOTAL</b>                                | \$2,434.81   | \$2,441.85   | \$2,468.33   | \$2,510.67   | \$2,537.45    |

*A slight sewer increase, water increase, tax increase, business license increase and sanitation increase are included for the average business in the 2001/2002 Budget.*

**Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>City General Fund</u> | <u>Rock Hill School District Number 3</u> | <u>County Purpose</u> | <u>Total</u> |
|--------------------|--------------------------|---|-----------------------|--------------|
| 1991               | 100.00                   | 113.00                                    | 74.80                 | 287.80       |
| 1992               | 100.00                   | 114.50                                    | 75.70                 | 290.20       |
| 1993               | 100.00                   | 118.00                                    | 76.50                 | 294.50       |
| 1994               | 100.00                   | 130.90                                    | 77.70                 | 308.60       |
| 1995               | 100.00                   | 137.30                                    | 80.10                 | 317.40       |
| 1996               | 100.00                   | 143.30                                    | 82.10                 | 325.40       |
| 1997               | 104.00                   | 145.70                                    | 83.30                 | 333.00       |
| 1998               | 104.00                   | 148.70                                    | 83.90                 | 336.60       |
| 1999               | 106.00                   | 152.70                                    | 86.60                 | 345.30       |
| <b>2000</b>        |                          |   |                       |              |

## GLOSSARY OF TERMS

**Account Group:** A self-balancing set of accounts that has no expendable financial resources. Account groups are used to maintain records of general long-term debts and general fixed assets.

**Accounting System:** The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis of Accounting:** A basis of accounting in which debits and credits are recorded at the time they are incurred as opposed to when cash is received or spent.

**Appropriation Ordinance:** An ordinance through which appropriations are given legal effect.

**Assessed Valuation:** The estimated value placed on real and personal property by the chief appraiser of the appraisal district as the basis for levying property taxes. All appraisal activity is the responsibility of The York County Assessor's Office.

**Audit:** A methodical examination of the use of resources. It concludes in a written report of its findings, and it is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used.

**Bond:** A written promise to pay a specified sum of money, called the face value or principal amount, at a specific date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

**Budget:** A comprehensive financial plan of operation which incorporates an estimate of proposed expenditures for a given period and the proposed means of financing them.

**Budget Basis:** Generally refers to the Cash Basis of Accounting.

**Budget Calendar:** The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

**Budget Message:** A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains principal budget issues against the background of the present economy and financial experience in recent years.

**Budgetary Control:** The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Equipment:** Equipment with value in excess of \$2,500 and with an expected life of more than one year.

**Coding:** A system of numbering accounts, entries, invoices, vouchers, etc. in such a manner that the symbol used quickly reveals necessary information. To illustrate the coding of accounts, the number "18" would be assigned to transactions made by the Finance Department, followed by a "06" to show that it occurred in Risk Management, followed finally by "1010" to show that the transaction involves personnel expense.

**Current Taxes:** Taxes levied and due within one year.

**Debt:** An obligation resulting from borrowed money or from the purchase of goods and services. Debts of government include bonds and notes.

**Debt Limit:** The maximum amount of general obligated debt which is legally permitted. The State of South Carolina forbids cities from incurring debt in excess of 8% of the total assessed valuation of taxable property within the City.

**Debt Service:** The payment of principal and interest on borrowed funds such as bonds.

**Delinquent Taxes:** Taxes that remain unpaid on and after the date they are due, and which include a penalty for nonpayment.

**Department:** A major administrative division of the city which manages an operation or group of related operations.

**Depreciation:** The decrease in value of physical assets due to the use and passage of time.

**Enterprise Fund:** A fund established to account for operations (a) financed and operated in a manner similar to private business enterprises where the intent is the cost of providing goods and services to the general public on a continuing basis be financed or recovered 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, or other purposes. Examples of Enterprise Funds are those for water, sewer, and electric utilities.

**Expenditures:** The amount of cash paid or to be paid for a service rendered, goods received or an asset purchased.

**Fiscal Year (FY):** Any consecutive 12-month period designated as the budget year. Rock Hill's budget year is the July 1 - June 30.

**Fixed Assets:** Assets of long-term character which are

intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

**Fund:** An accounting entity that has self-balancing accounts and that records all financial transactions for specific activities or government functions.

**Fund Balance:** The excess of an entity's assets over its liabilities.

**Generally Accepted Accounting Principles (GAAP):** A body of accounting and financial reporting standards set by the Governmental Accounting Standards Board (GASB) for state and local governments, and by the Financial Accounting Standards Board (FASB) for private sector organizations.

**General Fund:** The fund used to account for all financial resources except those required to be accounted for in another fund.

**General Obligation Bonds:** When the City pledges its full-faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (G.O.) bonds. Sometimes the term is used to refer to bonds which are repaid from taxes and other general revenue.

**Governmental Accounting Standards Board (GASB):** The authoritative accounting and financial reporting standard-setting body for government entities.

**Grant:** A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed the grantee.

**Interfund Transfers:** Amounts transferred from one fund to another.

**Intergovernmental Revenue:** Revenue received from other governments, either local, state or federal, usually in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

**Levy:** To impose taxes, special assessments, or service charges for the support of City activities.

**Long Term Debt:** Within the context of the General Long Term Debt Account Group, any unmatured debt that is not a fund liability since it is not currently due.

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

**Modified Accrual Accounting:** A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and available. It is recommended as the standard for most governmental funds.

**Operating Budget:** A budget for general expenditures such as salaries, utilities and supplies.

**Performance Measurement:** A method of evaluation that uses measurable performance of activities to determine achievement of goals.

**Program:** An organized set of related work activities which are directed toward a common purpose or goal and represent well-defined uses of city resources.

**Property Tax:** Property taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate applied.

**Revenue:** Income generated by taxes, business licenses, user fees, fines and forfeitures, reimbursements and investments.

**Revenue Bonds:** When a government issues bonds which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source to repay these bonds. Revenue bonds are not included in the 8% general obligation debt limit set by the State.

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

**Special Revenue Fund:** A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**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 such as special assessments or user charges.

**Unencumbered Balance:** The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.