



Proposed 2024/2025 Budget

Presentation to City Council

May 7, 2024

Agenda

- Current situation
- Financial history
- FY 22/23 ARPA expenditures
- Budget process highlights
- General Fund budget
- Utility Fund budget
- Hospitality Fund budget
- Next steps

Current Situation

- City has money in bank
- No personnel changes have been required
 - Hiring freeze implemented
 - 1 position in Rec Dept and 1 position in the Police Dept will remain open
- FY 22/23 books have been closed
 - Difficult to retrieve data due to system changes
- Financial records for FY 23/24 are not up to date
 - Changes in personnel
 - Change in accounting system

General Fund History

	2017	2018	2019	2020	2021	2022	2023
Revenues	\$ 2,349,029	\$ 1,983,712	\$ 2,490,249	\$ 2,407,294	\$ 2,558,192	\$ 3,311,710	\$ 3,607,796
Expenditures	\$ 2,399,764	\$ 2,033,106	\$ 2,279,800	\$ 2,206,119	\$ 2,737,953	\$ 3,026,440	\$ 3,663,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (50,735)	\$ (49,394)	\$ 210,449	\$ 201,175	\$ (179,761)	\$ 285,270	\$ (55,317)
Sale of Capital Assets	\$ 1,450	\$ -	\$ -	\$ -	\$ 17,641	\$ -	\$ 253,000
Issuance of Financed Purchase and Lease	\$ -	\$ -	\$ 127,202	\$ 88,308	\$ 475,000	\$ 487,480	\$ -
Transfers In (Out)	\$ -	\$ 244,376	\$ 274,867	\$ -	\$ -	\$ (82,530)	\$ -
Change in Fund Balance	\$ (49,285)	\$ 194,982	\$ 612,518	\$ 289,483	\$ 312,880	\$ 690,220	\$ 197,683
Fund Balance, Beginng of Year	\$ (210,319)	\$ (259,604)	\$ (64,622)	\$ 547,896	\$ 837,379	\$ 1,150,259	\$ 1,840,479
Fund Balance, End of Year	\$ (259,604)	\$ (64,622)	\$ 547,896	\$ 837,379	\$ 1,150,259	\$ 1,840,479	\$ 2,038,162
Fund Balance Detail							
Unassigned	\$ (259,604)	\$ (64,622)	\$ 272,171	\$ 532,179	\$ 747,800	\$ 1,479,169	\$ 1,695,224
Restricted	\$ -	\$ -	\$ 275,725	\$ 305,200	\$ 402,459	\$ 361,310	\$ 342,938
	\$ (259,604)	\$ (64,622)	\$ 547,896	\$ 837,379	\$ 1,150,259	\$ 1,840,479	\$ 2,038,162

Years 2017 to 2022 are from the audited financial statements. 2023 is from the preliminary / draft financial statements.

Utility Fund History

	2017	2018	2019	2020	2021	2022	2023
Operating Revenues	\$ 1,370,923	\$ 1,457,020	\$ 1,405,190	\$ 1,435,032	\$ 1,431,831	\$ 1,571,118	\$ 1,613,346
Operating Expenses	\$ 1,287,655	\$ 1,075,498	\$ 1,125,543	\$ 1,403,954	\$ 1,700,198	\$ 1,488,571	\$ 2,004,341
Operating Income (Loss)	\$ 83,268	\$ 381,522	\$ 279,647	\$ 31,078	\$ (268,367)	\$ 82,547	\$ (390,995)
Nonoperating Revenues (Expenses)	\$ (10,132)	\$ (8,095)	\$ (6,007)	\$ (3,956)	\$ (37,739)	\$ (30,801)	\$ (28,178)
Income (Loss) Before Transfers and Capital Grants	\$ 73,136	\$ 373,427	\$ 273,640	\$ 27,122	\$ (306,106)	\$ 51,746	\$ (419,173)
Transfers In (Out)	\$ -	\$ (244,376)	\$ (274,867)	\$ -	\$ -	\$ 82,530	\$ -
Donated Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 70,916	\$ -	\$ -
Capital Grants	\$ -	\$ -	\$ -	\$ -	\$ 173,095	\$ 271,192	\$ 21,700
Special Item - Net Pension Liability	\$ -	\$ 353,985	\$ -	\$ (242,833)	\$ -	\$ -	\$ -
Change in Net Position	\$ 73,136	\$ 483,036	\$ (1,227)	\$ (215,711)	\$ (62,095)	\$ 405,468	\$ (397,473)
Net Position, Beginning of Year	\$ 4,275,511	\$ 4,348,647	\$ 4,831,683	\$ 4,830,456	\$ 4,614,745	\$ 4,552,650	\$ 4,958,118
Net Position, End of Year	\$ 4,348,647	\$ 4,831,683	\$ 4,830,456	\$ 4,614,745	\$ 4,552,650	\$ 4,958,118	\$ 4,560,645
Net Position Detail							
Net Investment in Capital Assets	\$ 3,683,102	\$ 3,608,439	\$ 3,541,142	\$ 3,807,057	\$ 4,062,420	\$ 4,472,545	\$ 4,502,735
Restricted for Sewer Maintenance Projects	\$ 230,390	\$ 272,146	\$ 314,689	\$ 10,000	\$ 55,891	\$ 102,254	\$ 148,790
Restricted for Debt Service	\$ 27,376	\$ 19,119	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ 407,779	\$ 931,979	\$ 974,625	\$ 797,688	\$ 434,339	\$ 383,319	\$ (90,800)
	\$ 4,348,647	\$ 4,831,683	\$ 4,830,456	\$ 4,614,745	\$ 4,552,650	\$ 4,958,118	\$ 4,560,725

Years 2017 to 2022 are from the audited financial statements. 2023 is from the preliminary / draft financial statements.

FY 22/23 ARPA Expenditures

Water & Sewer System Maintenance	\$	333,816.55
Land Purchase	\$	151,455.55
Retail Strategies	\$	90,000.00
New Police Vehicle	\$	37,308.00
Harris Software	\$	25,113.46
Pickens Regional Joint Water System	\$	25,000.00
Drone for Police Department	\$	22,468.93
Police Raises	\$	17,209.60
El Charro Restaurant - Caesar Specialties	\$	15,000.00
Painting Mural on Downtown Wall	\$	15,000.00
Misc Credit Card Purchases	\$	12,200.79
City Hall Rent	\$	12,000.00
Roof Repairs	\$	11,950.00
Shades/Blinds for City Hall	\$	8,810.12
New A/C Units	\$	7,667.00
Total Expenditures	\$	<u>785,000.00</u>

Budget Process Highlights

- Started working on budget in early March
 - Revenue
 - Personnel costs
 - Other costs
- Difficult to budget
 - Data limited due to system changes
 - Personnel changes
 - Limited financial resources
- Balancing the budget was challenging
 - Staffing levels remain the same
 - Budget includes a 3% cost of living increase for all City employees
 - Millage and rates for City services had to be raised

General Fund Revenue

Category	FY 22/23 Actual	FY 24/25 Budget	Difference
Fees & Licenses	\$ 873,267	\$ 867,800	\$ (5,467)
State Taxes	\$ 728,731	\$ 725,000	\$ (3,731)
County Taxes	\$ 377,117	\$ 422,000	\$ 44,883
Trash Pick Up	\$ 296,805	\$ 359,000	\$ 62,195
Police Revenue	\$ 309,828	\$ 242,350	\$ (67,478)
Grants	\$ 896,097	\$ 62,000	\$ (834,097)
Recreation Fees	\$ 67,214	\$ 59,700	\$ (7,514)
Other Revenue	\$ 116,219	\$ 35,300	\$ (80,919)
Transfers	\$ -	\$ 17,305	\$ 17,305
Sale of Capital Assets	\$ 253,000	\$ -	\$ (253,000)
Total GF Revenue	\$ 3,918,278	\$ 2,790,455	\$ (1,127,824)

General Fund Revenue

- 24/25 budget includes proposed increase in the millage rate
 - 93.1 mils to 96.9 mils – 4.12% increase
 - Per county this will increase property tax revenue by \$47,000
 - \$44,000 of this is included in the budget
- 24/25 budget includes proposed increase in trash pick up rate
 - City is charging \$11/mo for residential pick up
 - Meridian is charging City \$11.79/mo for residential pick up
 - Meridian increases rates annually per CPI
 - Rate will increase again in July
 - City losing money on residential trash pick up
 - Rate will increase from \$11/mo to \$15/mo
 - Rate increase will generate \$64,752 annually
 - \$62,195 is included in the budget

General Fund Expenditures – Department

Department	FY 22/23 Actual	% of Total	FY 24/25 Budget	% of Total	Difference \$	Difference %
Police	\$ 1,409,874	38.5%	\$ 1,242,548	44.5%	\$ (167,326)	-11.9%
Administration	\$ 802,167	21.9%	\$ 472,180	16.9%	\$ (329,987)	-41.1%
Public Works / Streets	\$ 686,267	18.7%	\$ 527,617	18.9%	\$ (158,650)	-23.1%
Recreation	\$ 407,888	11.1%	\$ 335,056	12.0%	\$ (72,832)	-17.9%
Debt Service	\$ 356,273	9.7%	\$ 120,000	4.3%	\$ (236,273)	-66.3%
Fire	\$ 643	0.0%	\$ 500	0.0%	\$ (143)	-22.2%
Transfers	\$ -	0.0%	\$ 92,554	3.3%	\$ 92,554	NA
Total GF Expenditures	\$ 3,663,112	100.0%	\$ 2,790,455	100.0%	\$ (872,657)	-23.8%

General Fund Expenditures – Category

Spending Category	FY 22/23 Actual	% of Total	FY 24/25 Budget	% of Total	Difference \$	Difference %
Salaries & Benefits	\$ 1,641,329	44.8%	\$ 1,434,814	51.4%	\$ (206,516)	-12.6%
Operations	\$ 1,396,641	38.1%	\$ 1,093,087	39.2%	\$ (303,554)	-21.7%
Debt Service	\$ 356,273	9.7%	\$ 120,000	4.3%	\$ (236,273)	-66.3%
Transfers	\$ -	0.0%	\$ 92,554	3.3%	\$ 92,554	NA
Grant Matches	\$ -	0.0%	\$ 50,000	1.8%	\$ 50,000	NA
Capital	\$ 268,869	7.3%	\$ -	0.0%	\$ (268,869)	-100.0%
Total GF Expenditures	\$ 3,663,112	100.0%	\$ 2,790,455	100.0%	\$ (872,657)	-23.8%

General Fund Summary

	FY 22/23 Actual	FY 24/25 Budget	Difference
Revenues	\$ 3,918,278	\$ 2,790,455	\$ (1,127,824)
Expenditures	\$ 3,663,112	\$ 2,790,455	\$ (872,657)
Surplus / (Deficit)	\$ 255,167	\$ (0)	\$ (255,167)

Utility Fund Revenue

Category	FY 22/23 Actual	% of Total	FY 24/25 Budget	% of Total	Difference \$	Difference %
Sewer Use Fees	\$ 811,344	49.6%	\$ 890,000	46.8%	\$ 78,656	9.7%
Water Sales	\$ 605,006	37.0%	\$ 728,960	38.3%	\$ 123,954	20.5%
Other Water/Sewer Fees	\$ 187,721	11.5%	\$ 186,000	9.8%	\$ (1,721)	-0.9%
Transfer from GF	\$ -	0.0%	\$ 92,000	4.8%	\$ 92,000	NA
Grants	\$ 21,700	1.3%	\$ -	0.0%	\$ (21,700)	-100.0%
Misc Revenue	\$ 9,275	0.6%	\$ 4,000	0.2%	\$ (5,275)	-56.9%
Total GF Revenue	\$ 1,635,046	100.0%	\$ 1,900,960	100.0%	\$ 265,914	16.3%

Utility Fund Revenue

- 24/25 budget includes proposed increase in water rates
 - Residential & Commercial base rates inside and outside city will increase \$5/mo
 - Residential inside rates will go from \$17.35/mo to \$22.35/mo
 - Overage rate will increase \$1.30/1,000 gallons – from \$4.19 to \$5.49/1,000 gallons
 - Water sales will increase \$123,900 annually
- 24/25 budget includes a proposed increase in sewer rates
 - Residential & Commercial base rates inside and outside city will increase \$5/mo
 - Residential base rate will increase from \$20.75 to \$25.75/2,000 gallons
 - Commercial base rate will increase from \$24.46 to \$29.96/2,000 gallons
 - No increase in the sewer overage rate
 - Sewer fee revenue will increase \$78,000 annually

Water Bills Comparison

Average monthly water usage in Liberty is 3,000 to 3,500 gallons. Chart shows charges for 3,000 gallons per month from various local entities.

Municipality	Base Rate	Overage	Total
Liberty - old rates	\$ 17.35	\$ 4.19	\$ 21.54
Liberty - new rates	\$ 22.35	\$ 5.49	\$ 27.84
Starr-Iva	\$ 24.75	\$ 17.13	\$ 41.88
Woodruff-Roebuck	\$ 36.62	\$ 3.80	\$ 40.42
Bethlehem-Roanoke	\$ 22.00	\$ 10.59	\$ 32.59
Saluda	\$ 32.53	\$ -	\$ 32.53
Honea Path	\$ 22.26	\$ 7.65	\$ 29.91
Powdersville	\$ 22.48	\$ 6.94	\$ 29.42
Inman-Campobello	\$ 21.87	\$ 5.70	\$ 27.57
Pickens	\$ 27.50	\$ -	\$ 27.50
Clemson	\$ 12.88	\$ 12.06	\$ 24.94
Easley-Central	\$ 22.00	\$ 1.75	\$ 23.75
Central	\$ 8.00	\$ 13.95	\$ 21.95
Average rate for 3,000 gallons for all is \$30.02 / month			
Median rate is \$28.63 / month.			

Utility Fund Expenses by Category

Spending Category	FY 22/23 Actual	% of Total	FY 24/25 Budget	% of Total	Difference \$	Difference %
Operations	\$ 1,489,942	82.5%	\$ 1,300,081	72.0%	\$ (189,861)	-12.7%
Salaries & Benefits	\$ 276,855	15.3%	\$ 380,056	21.0%	\$ 103,201	37.3%
Debt Service	\$ 28,178	1.6%	\$ 108,634	6.0%	\$ 80,456	285.5%
Transfers	\$ -	0.0%	\$ 17,305	1.0%	\$ 17,305	NA
Grant Matches	\$ 11,216	0.6%	\$ -	0.0%	\$ (11,216)	NA
Total UF Expenditures	\$ 1,806,191	100.0%	\$ 1,806,075	100.0%	\$ (116)	0.0%

Utility Fund Operations Expense

Operations Category	FY 22/23		FY 24/25		Difference \$	Difference %
	Actual	% of Total	Budget	% of Total		
Sewer Treatment Costs	\$ 420,406	28.2%	\$ 456,000	35.1%	\$ 35,594	8.5%
Water Purchased	\$ 235,030	15.8%	\$ 250,000	19.2%	\$ 14,970	6.4%
System Maintenance	\$ 404,495	27.1%	\$ 167,000	12.8%	\$ (237,495)	-58.7%
Pickens County IGA	\$ 161,652	10.8%	\$ 165,000	12.7%	\$ 3,348	2.1%
IT, Phone, Internet	\$ 70,948	4.8%	\$ 35,216	2.7%	\$ (35,732)	-50.4%
Pickens Regional JWA	\$ -	0.0%	\$ 25,000	1.9%	\$ 25,000	NA
Insurance	\$ 17,377	1.2%	\$ 21,500	1.7%	\$ 4,123	23.7%
All Other	\$ 180,036	12.1%	\$ 180,366	13.9%	\$ 330	0.2%
Total UF Operations	\$1,489,942	100.0%	\$1,300,081	100.0%	\$ (189,861)	-12.7%

Utility Fund Summary

	FY 22/23 Actual	FY 24/25 Budget	Difference
Revenues	\$ 1,635,046	\$ 1,900,960	\$ 265,914
Expenditures	\$ 1,806,191	\$ 1,806,075	\$ (116)
Surplus / (Deficit)	\$ (171,145)	\$ 94,885	\$ 266,030

Hospitality Fund

	FY 22/23 Actual	FY 24/25 Budget	Difference
Hospitality Tax Revenue	\$ 143,671	\$ 142,000	\$ (1,671)
Expenditures:			
Salaries & Benefits	\$ 9,739	\$ 77,006	\$ 67,267
Operations	\$ 81,071	\$ 51,000	\$ (30,071)
Total Expenditures	\$ 90,811	\$ 128,006	\$ 37,195
Surplus / (Deficit)	\$ 52,860	\$ 13,994	\$ (38,866)

Next Steps

- FY 24/25 Budget Ordinance
- Continue working on FY 23/24 financial records catch up
 - Goal is to have FY 23/24 up to date by July then keep them up to date
- Continue working on implementing efficient internal processes
- Hiring freeze stays in place
- Continue to watch spending closely
- Implement a purchase order system
 - Purchases should be approved before they are made
- Modify current procurement / credit card program
- Implement a fixed assets program (Fixed Assets Pro)