

2018 Budget and Financial Plan

Fiscal Year July 1, 2017 – June 30, 2018



James Island Public Service District

Dedicated to Public Service Excellence



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1 INTRODUCTION

About Us

The **James Island Public Service District (JIPSD)** is a special purpose JIPSD created by Act No. 498 of the General Assembly of the State of South Carolina, Regular Session of 1961, and subsequent Amendments, for the purpose of providing wastewater, solid waste, fire protection and rescue services, street lighting, and street name signs on James Island.

The JIPSD provides these services to residents in the unincorporated areas of James Island as well as all the residents of the Town of James Island, and some residents annexed by the Cities of Charleston and Folly Beach. The JIPSD operates as a Special Purpose District form of government, with a District Manager, Robert Wise, serving as Chief Executive Officer and its Commission consists of seven elected officials who serve four year terms.

Mission

To provide fire protection and rescue, solid waste and wastewater services to the citizens and customers of James Island in a responsive, cost effective, and professional manner.

Vision

A responsive, service-oriented public service JIPSD that, through professional competence, optimization of available resources, environmental responsibility, and effective relationships, provides high quality services which result in highly satisfied customers and highly engaged Associates.

Statement of Values

The following core values are essential to the success of our organization, mission and vision:

- **S** - Spirit of Service
- **T** - Teamwork and Cooperation
- **R** - Respect, Courtesy and Dignity
- **I** - Integrity, Accountability, Fiscal Responsibility, and Transparency
- **D** - Dedication
- **E** - Excellence and Education
- **S** - Safety

Management Team

District Manager:**Robert K. Wise**

Serves as JIPSD's Chief Executive Officer to plan, direct, and organize the administrative and operational services and activities in accordance with the policies of the JIPSD's Commission and under applicable State and Federal laws, rules and regulations. Receives Commission's guidance through the Commission Chair.

Administrative Coordinator:**Tamara R. Eberhart**

Serves as Clerk of the JIPSD Commission, and performs administrative, coordination, and IT support functions.

Chief Financial Officer:**Susan G. Gladden**

Serves as JIPSD's Chief Financial Officer and directs JIPSD's Financial and customer service functions.

Deputy Fire Chief for Administration & JIPSD Safety:**Shawn L. Engleman**

Plans, organizes, coordinates and executes JIPSD's safety program.

Director of Human Resources:**Cathy C. Valerio**

Directs JIPSD's Human Resources programs and functions.

Fire Chief:**M. Christopher Seabolt**

Directs JIPSD's Fire Prevention, Suppression and Emergency Rescue functions, serves as the JIPSD's Director of Emergency Management and administers the JIPSD Emergency Operations Plan (EOP).

Director of Solid Waste Services:**Walter R. Desmond**

Directs JIPSD's Solid Waste collection and disposal services.

Director of Fleet Services:**Steven J. Aden**

Directs the Maintenance and Repair services for the JIPSD's Fleet of Vehicles.

Director of Wastewater Services:**David J. Hoffman, Jr.**

Directs JIPSD's Wastewater Operations and Facilities/Street sign Maintenance services.

Donald Hollingsworth, Chair

1853 Saxony Drive

James Island, SC 29412

Current term expires: December 2018

Kay Kernodle, Vice Chair

753 Swanson Avenue

James Island, SC 29412

Current term expires: December 2018

Bill “Cubby” Wilder, Secretary

1894 Sol Legare Road

James Island, SC 29412

Current term expires: December 2018

Inez BrownCrouch

1149 Mariner Driver

James Island, SC 29412

Current term expires: December 2018

Betty “Sandi” Engelman

915 Julia Street

James Island, SC 29412

Current term expires: December 2020

Eugene Platt

734 Gilmore Court

James Island, SC 29412

Current term expires: December 2020

Kathy Woolsey

961 Mooring Drive

James Island, SC 29412

Current term expires: December 2020

2 BUDGET MESSAGE

Budget Message

This Budget Document and Financial Plan has been developed to communicate to the customers, Commissioners and staff the means by which we intend to fulfill our mission of *providing fire protection and rescue, solid waste and wastewater services to the citizens and customers of James Island in a responsive, cost effective, and professional manner.*

The annual budget is the policy document that communicates the financial policies and plan of the James Island Public Service District (JIPSD) for the fiscal year. The budget is prepared each year with the support and policy input of our Commissioners and hard work from our departments to ensure that we are preparing the leanest budget possible while still providing high quality services through excellent service delivery.

The recovering economy continues to present a few challenges during the development of the budget, however, as a result of years of fiscal prudence and efficient management of operations, the JIPSD is well positioned to respond to those challenges.

The Fiscal Year 2018 budget maintains the level of service that James Island residents have grown to appreciate and expect while continuing the JIPSD's tradition of fiscal prudence and efficient operations. The budget document provides useful information about the JIPSD's financial policies and plans.

3 FINANCIAL POLICIES

The JIPSD has spent the past several years implementing policies that uphold financially prudent practices. Fiscally responsible financial policies lead to a higher level of confidence from bond holders which leads to a decrease in interest rates.

The JIPSD's bond rating is AA- as reaffirmed in 2016 by Standard and Poor's. This high rating is the result of strong fiscal management, sound financial performance and effective financial policies.

The JIPSD's goal is to provide services that meet the expectations and needs of our citizens, but this must be balanced with the amount of revenue available, a much more difficult task in the current economic climate. In order to implement revenue increases, the benefit of increased services must be tangible and readily visible to our citizens.

Financial and Management Policies

The JIPSD's financial policies

- Set forth the basic framework for the fiscal management of the JIPSD.
- Intended to assist Commission and JIPSD Associates in evaluating current activities and proposals for future programs, and in making fiscally responsible decisions in the day-to-day management of the JIPSD.
- Developed within the provisions of the Code of Laws of the State of South Carolina, generally accepted accounting principles as established by the Governmental Accounting Standards Board, JIPSD fiscal policies and recommended budgeting practices.
- Should be reviewed and modified as necessary to accommodate changing circumstances or conditions.

Auditing and Internal Control Policies

In developing and evaluating the JIPSD's accounting system, consideration is given to the effective implementation of financial accounting policies and, specifically, to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Segregation of two or more accounting functions is a goal for any organization striving for ultimate internal controls; however, due to our size, this is not always achievable. Therefore, additional steps in the approval process and random audits have been implemented to provide as reasonable assurance as possible within current staffing levels.

Revenue Policies

- **Appropriation Limits** – Current appropriations in all funds are limited to the sum of available, unencumbered fund balances and revenues estimated to be received in the current budget year.
- **Encumbrances** – Encumbrances are considered re-appropriated in the ensuing year and are included in the overall working budget for the ensuing year.
- **Use of One-Time Revenues** – Use of one-time revenues for ongoing expenditures is discouraged and is allowed only if future funding sources have been identified for continuing costs. One-time revenues can be used for one-time expenditures such as a major software program acquisition, if maintenance and operating costs can be accommodated by existing budgets.
- **Grant Funds** - Continuing costs for grant funded operations or personnel additions must be identified and approved prior to acceptance of the grant. Funding sources for any local match required must also be identified prior to the acceptance of a grant award.

- **Major Revenue Stream** - Major revenues are budgeted very conservatively and strong fund balances are maintained to cushion against revenue shortfalls.
- **Fees and Charges** – New or increased fees and charges, except those required by judicial mandate, must be requested during the budget process and be approved by the Commission prior to the start of the fiscal year.
- The JIPSD’s Bond Resolution requires a minimum debt service coverage ratio of 1.2; however, the JIPSD will adjust wastewater rates in order to meet a minimum of 1.5.
- In order to issue new debt, rate adjustments in any fiscal year must be sufficient to provide for debt service payments in the immediately succeeding fiscal year.

Expenditure Policies

- **Fund Balance** – Unassigned Fund Balance in the General Fund is targeted at a minimum of three (3) months of the prior year’s General Fund expenditures. JIPSD policy is to avoid unassigned fund balance dipping below two (2) months, except in the case of extraordinary and unexpected events, such as hurricane recovery or extraordinary economic times.
- **Enterprise Funds** – Enterprise operations should be funded either exclusively or primarily by user fee revenues. Enterprise funds should strive to become self-supporting entities through annual review of fee structures, other revenue sources and operating policies.
- **Budget Performance Reporting** – Monthly management reports are prepared and presented to Commission to show budget to actual comparisons. These reports are analyzed by the Department Heads and Chief Financial Officer in depth to detect and address any troubling trends and issues in a timely manner and reported to the District Manager.

Capital Expenditure Policies

- **Definition of Capital Asset** – Capital assets other than infrastructure are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.
- **Capital Expenditures** – Routine capital expenditures, such as equipment replacement, are included in the operating budget either in capital accounts within a department budget or, in the case of assets purchased through a lease-purchase program, in capital improvement fund.
- **Nonrecurring Capital Expenditures** – Capital expenditures, such as new facilities and facility improvements, are budgeted and accounted for in capital projects funds.
- **Inventory and Control** – Each department is required to perform an annual inventory of its capitalized assets. The Finance department will maintain control of the capital asset listing. Establishing and maintaining adequate written controls and procedures at the department level will provide control over non-capital tangible assets.

Long-Range Financial Planning Policies

The following policies guide in assessing the long term financial and budget implications of current decisions on equipment replacement, capital projects, cash management/investment and debt.

Equipment Replacement

- A Five-Year Replacement Plan for equipment/vehicles has been developed based on the Vehicle Replacement guideline. Each vehicle is graded annually based on mileage/hours, age, repairs & maintenance costs, and overall condition based on the Fleet Manager's assessment.
- Facilities and computer hardware replacement schedule has been formulated based on industry standards for replacement and is updated annually. Functional obsolescence is also considered in replacement decisions.
- The Fleet services maintains service records for vehicles and equipment. Each year, during the budget process, a list is generated by department of vehicles that currently meet some or all of the basic replacement criteria. Each department analyzes and prioritizes their list based on their anticipated needs during the budget year. The prioritized department lists are then combined and reprioritized into a JIPSD-wide list by the Finance Department based on the departmental input and Director of Fleet Services' evaluation criteria. The extent of the replacements budgeted is a function of the funding available in the budget year. Items on the list that are not replaced roll over to the next year's replacement list.

Capital Improvement Plan

The JIPSD has prepared a Five-Year Capital Improvement Plan (CIP), which is presented in this budget. The CIP is guided by the following policies:

- The CIP is updated annually. This plan includes anticipated funding sources.
- Capital projects financed through the issuance of bonds will be financed for a period not to exceed the useful life of the project.
- The JIPSD will preserve its assets at a level adequate to protect the capital investment and minimize future maintenance and replacement costs.
- The JIPSD will establish appropriate distribution of bonded debt and cash financing in the funding of capital projects.
- The operating impact of each project will be identified and incorporated into the annual operating budget.

Cash Management/Investment Policies

Investment of funds is the responsibility of the Assistant Financial Officer as guided by the Chief Financial Officer.

- The primary policy objective is safety of principal. Secondary objectives include adequate liquidity to provide cash as needed and rate of return on investments.
- It is the policy of the JIPSD to limit investments to those authorized by the South Carolina Code (Sections 6-5-10 and 6-6-10), generally as follows:
 - Obligations of the United States and its agencies;
 - General obligations of the State of South Carolina or any of its political units;
 - Savings and loan association deposits to the extent that they are insured by an agency of the federal government;
 - Certificates of deposit and repurchase agreements held by a third party as escrow agent or custodian; and
 - South Carolina Pooled Investment Fund.
- To ensure liquidity and reduce market risks, investments have maturity dates at or prior to the estimated time cash will be required to meet disbursement needs.
- Collateralization is required to secure:
 - Certificates of Deposit
 - Repurchase Agreements
 - Demand deposits

Debt Policies

The JIPSD's primary objective in debt management is to maintain a debt level within available resources and within the legal debt margin as defined by State statutes, while minimizing the costs to the taxpayer. The JIPSD's AA- bond rating was affirmed in July 2016 from Standard and Poor's Rating Group. The JIPSD maintains such high standards by complying with the following policies:

- Long-term debt will not be used to finance ongoing daily operations.
- Total general obligation long-term debt will not exceed 8% of assessed valuation unless additional debt is approved by the citizens in a referendum.
- Long-term debt will only be issued to finance capital improvements too extensive in scope to be financed with current revenues.
- Long-term debt will be issued for a period not to exceed the useful life of the project.
- When possible, self-supporting long-term debt like Revenue Bonds and Certificates of Participation will be used instead of General Obligation bonds.

Reserve Policies

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard has left unchanged the total amount reported as fund balance, but has substantially altered the

categories and terminology used to describe its components. This innovative approach will focus, not on financial resources available for appropriation, but on “the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.”

- **Components of Fund Balance**

- Restricted Components

- Nonspendable (inherently nonspendable)
 - Restricted (externally enforceable limitations on use)

- Unrestricted Components

- Committed (self-imposed limitations set in place prior to the end of the period)
 - Assigned (limitation resulting from intended use)
 - Unassigned (residual net resources)

During the FY15 budget process, the Commissioners approved the following components of Fund Balance for the General Fund.

1. Strive to maintain a minimum unreserved, undesignated fund balance in the General Fund approximately 3 months of the subsequent year’s General Fund disbursements. If the JIPSD falls below the minimum level, the CFO, approved by the District Manager, will submit a plan to the Commission to restore fund balance to the minimum level.
2. Maintain a Rainy Day fund to provide emergency funds for use in the event of a major calamity. The JIPSD will strive to maintain this fund at no less than three percent (3%) of the General Fund disbursements. The CFO, approved by the District Manager, will submit a plan to the Commission to restore fund balance to the minimum level.
3. Should there be an excess unreserved, undesignated fund balance; the excess may be used to fund one-time capital expenditures or other one-time costs.

Budget Highlights

General Fund

The FY18 General Fund revenues are projected at \$6,860,183 with no millage rate increases. Ad valorem tax revenues were projected with minimal growth to exceed last year’s budgeted revenues by 4.1%.

Total General Fund expenditures are projected at \$7,089,314 which is approximately \$518,000 or 7.9% higher than the FY17 Budget. This increase is attributed to our commitment of providing leadership and mentoring training to all employees, continuation of the employee merit program and capital purchases for roof replacement for Fire Station 1 and an upgrade to our main computer server.

Debt Service Fund

FY18 revenue projections of \$472,674 decreased slightly over FY17 Budget revenues of \$475,225. Our focus to replace old and outdated equipment through the Vehicle Replacement Schedule remains top priority by funding over \$1,585,750 for new vehicles and equipment.

In addition to the vehicle replacements, the JIPSD is planning to replace Fire Station 1 with a new fire station at another location on the island. Once land has been procured, construction should take approximately 18-24 months to complete.

Proprietary Fund

Overview

- The FY18 Proprietary Fund includes an 8% rate increase based upon a cost of service analysis completed in May 2016. This is the second phase of the rate increase necessary to maintain existing lines and pump stations. Increases are applied to residential and commercial properties alike except there is no cap for commercial properties.

	<u>Current</u>	<u>FY18</u>
	<u>Rates</u>	<u>Rates</u>
Base Charge	\$15.79	\$17.05
Usage Charge per ccf	\$4.65	\$5.02
Residential Maximum	\$80.89	\$87.36
Non Metered Customers	\$43.69	\$47.17

- Operating Income is budgeted at \$1,519,837 compared to \$2,633,114 for FY17. This decrease is attributed to the Sanitary Sewer Evaluation Survey and higher maintenance and repair costs for pump stations and lines.

Revenue Forecasts

- The JIPSD has experienced fluctuating customer usage trends over the last several years and no increase in customer usage is projected for FY18.
- With the increased rates, operating revenues are \$7,885,139 or 3.1% above projected FY17 budget.

Operating Expenses

- Operating expenses are \$1.1 million over prior year's expenses due to higher wastewater treatment rates, increases in normal operating expenses and the Sanitary Sewer Evaluation Survey.

Wastewater Capital Improvement Plan

Two major wastewater projects started during last fiscal year are still ongoing and should be completed in the first half of FY18: Harbor View Road utility relocation and the Camp and Folly intersection utility relocation.

New capital projects planned for FY18 include a sewer trunk rehab from Successionville to Swamp Fox Lane and phase I and II of Pump Station #2 rehabilitation. Phase I includes repairing 15” PVC force main using cured-in-place piping (CIPP) from PS2 to Folly Road and Phase 2 continues the CIPP repair from Folly Road to Harbor View Road.

Conclusion

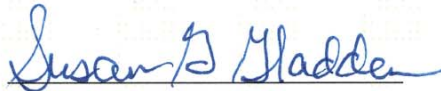
Although each budget has its own challenges, our attempt to ensure JIPSD exercises fiscal responsibility with taxpayer’s dollars remains uncompromised. We believe the FY2017-2018 budget is responsive to the community needs, committed to high quality and reliable services as well as meeting the JIPSD’s contractual responsibilities and regulatory requirements.

We want to thank all our associates who contributed countless hours of hard work in the development and presentation of this document.

Respectfully submitted,



Robert K. Wise
District Manager



Susan G. Gladden, CGFO
Chief Financial Officer



James G. Game, MBA
Assistant Financial Officer

4 BUDGET DEVELOPMENT

Budget Process

The JIPSD annually prepares and adopts a budget for the next fiscal year (July 1 through June 30), which includes the appropriate millage rate, sewer rates and fees necessary to provide sufficient revenues to meet anticipated expenses for operating and maintenance, asset repair or replacement, asset acquisition or construction to meet the service needs and debt service requirements for existing and projected debt.

The budget process began in December with the updating of the current budget worksheets, capital improvements plan (CIP), vehicle and equipment replacement plan, and facilities replacement plan. The CIP for both General and Proprietary Fund includes all projects related to capital asset repair or replacement and acquisition of additional capital assets. The CIP and replacement plans are revised to include: 1) significant changes in the cost of equipment, materials, construction, architectural and engineering services that have occurred over the past year; and 2) the addition, deletion or adjustment in timing of projects due to significant variations from previous projections, revised maintenance and repair requirements or changes in regulatory requirements.

The development of the operating budgets begins in mid-January whereby each department is requested to project their staffing, supplies and materials, travel and education, contractual services and other fiscal needs for the next fiscal year. The basis of these projections include historical trends, new programs, changes in existing programs, cost adjustments, and changes in regulatory requirements.

When the operating and capital budget for the proprietary fund have been reviewed and initially finalized, the information is input into the financial rate model for the development of wastewater rates. The model provides assurance that the rates and fees being developed adhere to the debt covenants within the existing bond ordinance.

Both the capital and operating budgets go through a series of meetings and discussions with the District Manager, Department Heads and Commissioners from February to June. During this time, the Commissioners also hold meetings on the proposed budgets to receive feedback from the public. The budget reaches final approval after second reading of the budget ordinance generally held during the Commission meeting on the fourth Monday in June.

FY18 Budget Calendar

Month	Phase	FY17 Budget Tasks	Phase	FY18 Budget Tasks
July 2016	C O M P L I A N C E M O N I T O R I N G	Implement Adopted Budget	D E V E L O P M E N T	
August - September				
October		1 st Quarter Review. Post Transparency Report.		
November-December				Depts Prepare Requests for Capital Improvement Plan
January 2017		Mid-Year Review. Post Transparency Report.		Budget Kickoff-Budget Team Meeting/Development of JIPSD Goals and Objectives and Review Revenues
February				Set Departmental Goals. Depts Budget edits due.
March				Budget Review Meeting by Budget Team
April		3 rd Quarter Review. Post Transparency Report.		Annual Fixed Asset Audit
May				Ways & Means Committee Review of Budget. Budget Presentation by CFO. Public Hearing Notice Published.
June		Year End Review/Transfers. Post Transparency Report.		Public Hearing. Budget Approved.
July 2017	A U D I T		C O M P L I A N C E M O N I T O R I N G	New Rates Go in Effect Implement Adopted Budget
August – September		Independent Audit Field Work		
October				1 st Quarter Review. Post Transparency Report.
November		Audit Issued		
December				Mid-Year Review. Post Transparency Report.
January 2018				
February – March				
April				3 rd Quarter Review. Post Transparency Report.
May				
June 2018				Year End Review/Transfers. Post Transparency Report.
August – September			A U D I T	Independent Audit Field Work
October				
November				Audit Issued.

5 DEPARTMENTS

General Fund Departments

Finance Department serves both general and proprietary fund departments. It provides services related to maintaining JIPSD's financial affairs in a fiscally responsible manner and consistent with generally accepted accounting principles and statutory requirements, and by providing high quality services to JIPSD's customers. Areas of responsibility include:

- Accounts Payable/Accounts Receivable
- General Ledger
- Payroll
- Fiscal Policy
- Cash Management
- Budget Development, including Revenue and Expenditure Forecasting
- Financial Reporting
- Financial Risk Management & Loss Prevention
- Customer Service
- Manages Rates & Fees resulting from the Wastewater Rate Model
- Develops and Administers Accurate and Timely Billing & Collections Procedures for Current and Delinquent Wastewater Accounts

Human Resources Department serves both general and proprietary fund departments. It provides services related to establishing HR policies, procedures, and guidelines, directing and overseeing all JIPSD associate-related programs and functions, and providing advice and assistance to departments and associates regarding those programs, which include:

- Recruitment & Selection
- Position Classification & Position Descriptions
- Compensation (Salary Plans)
- Benefits Administration (Leave, Holidays, Retirement, Insurances, FMLA, etc.)
- Personnel Actions (New Hires, Promotions, Reclassifications, Terminations, etc.)
- Associate Appreciation Programs
- Associate Relations, Counseling, Disciplinary Actions, HR-Related Investigations, & Grievances
- Management/Staff Training & Development
- Workers' Compensation
- Drug Testing
- Compliance with Federal, State & Other Employment Laws & Regulations

Fire & Rescue Services Department serves residents of the City of Charleston, City of Folly Beach, and Town of James Island as well as those in the Charleston County Unincorporated areas. The four Fire Stations, strategically located across James Island, house four engine companies and one ladder truck, plus additional reserve and support vehicles.

Emergency Medical Services (EMS) provided by JIPSD include acting as First Responder on all medical calls dispatched within JIPSD's response area, and providing Basic Life Support Services. While state law dictates that EMS service is the responsibility of the County, JIPSD provides EMS services to augment the County EMS system, which facilitates a more timely response to medical emergencies. First responder calls are answered by the County-wide Consolidated Dispatch Center (CDC).

Fire Prevention, Fire Training, and Public Education activities performed by JIPSD include training programs for department and JIPSD personnel, and fire prevention education programs in local schools, churches, civic and neighborhood groups throughout the community.

Other specialized capabilities the department offers include hazardous materials, confined space entry, trench rescue, auto extrication, and high-level response. During FY 16, the Department Fire & Rescue Services maintained the (highest possible) ISO rating of 1 it first achieved in FY 15.

The Department of Fleet Services serves both general and proprietary fund departments and is responsible for preventive and corrective maintenance of all JIPSD vehicles and equipment. Coordinating the maintenance and repair services combining in-house capabilities with contracted repair services to attain the highest possible fleet reliability and the lowest possible operating cost continues to be the highest priority. Other responsibilities include tracking operating costs and repair histories on all vehicles and equipment and assist operating departments with the acquisition of new vehicles. JIPSD also services the City of Folly Beach's fleet through a contractual agreement.

The Department of Solid Waste Services contributes to a safe, healthy, and attractive quality of life on James Island by collecting and disposing of solid waste on a once-a-week basis. Residential curbside collections include containerized refuse, small yard debris, man-made items and metal objects. Collected refuse is repacked into transfer trailers and transported to Bees Ferry Landfill for disposal. Currently, JIPSD provides solid waste collection services for over 9,000 homes and businesses.

Proprietary Fund Departments

Department of Wastewater Services is responsible for maintaining the public sewer collection system extending from customer's private service lateral at the public sewer main to the Plum Island Treatment Plant. Wastewater services uses precise and systematic approaches to minimize and prevent overflows of sewage to local rivers and streams. A new initiative involves setting up and maintaining an ongoing program to reduce inflow/infiltration into the wastewater collections system. Currently, JIPSD services over 13,000 retail customers on James Island, including the Town of James Island and City of Charleston, as well as those in the Charleston County unincorporated areas. JIPSD also serves residents of the City of Folly Beach through a wholesale agreement.

6 CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan or CIP serves as a “blueprint” for the future of the community and is a dynamic tool, it is not static. It is the JIPSD’s five-year roadmap for creating, maintaining and funding present and future infrastructure requirements that addresses the needs related to the acquisition, expansion, and rehabilitation of long-lived facilities and infrastructure. The CIP serves as a planning instrument to identify needed capital expenditures and to coordinate the financing and timing of improvements in a way that maximizes the return to the customers. Capital expenditure is defined as expenditures that are used to 1) acquire or construct a new asset, 2) improve, restore, or renovate a current capital asset in a manner that extends or maintains the asset’s current useful life. Capital expenditures are categorized as either *Capital Projects* or *Capital Outlay*.

Capital Improvements Planning Goals

Capital improvement planning is a process used to provide the efficient and effective provision of the JIPSD facilities/assets. Planning for capital facilities over time can promote better use of the JIPSD’s limited financial resources and assist in coordination of capital projects. By looking beyond year to year budgeting and projecting what, where, when and how capital investments should be made, capital programming enables the JIPSD to maintain an effective level of service for both present and future customers.

While the CIP serves as a long range plan, it is reviewed annually and revised based on current circumstances and opportunities. Priorities may be changed due to funding opportunities or circumstances that cause a more rapid deterioration of an asset. *The adoption of the Capital Improvement Plan is neither a commitment to a particular project nor a limitation to a particular cost.*

Funding Capital Projects

General Fund

The General Fund capital projects budget is funded through one source: *ad valorem taxes*. Projects funded in this budget include replacement of vehicles, equipment, and facilities. Determining which vehicles and equipment to replace is based on the Vehicle Replacement Policy where each vehicle and equipment is graded based on repair and maintenance costs, mileage, age, and overall condition as assessed by the Fleet Manager. Currently the JIPSD has six outstanding capital leases totaling approximately \$1,079,545 and will add an additional \$1,590,000 in the FY18 Budget for the replacement of two Solid Waste dump trucks, front end loader, and the replacement of two Fire Engines.

The JIPSD has two outstanding General Obligation loans that are paid by ad valorem taxes: Fire Stations #3 and Fire Stations #4 with outstanding balances of \$239,490 and \$27,808, respectively.

➤ **Future Debt**

Fire Station 1 replacement is budgeted at \$6,300,000 and currently in the early stages of securing land for the new facility. Construction is estimated to start sometime in early 2018.

Proprietary Fund

The Proprietary Fund capital budget is funded through three primary revenue sources:

- Operating Revenues,
- Growth Related Revenues (Impact Fees) and
- Debt Proceeds or Grants.

Operating Revenues: Operating revenues are the JIPSD's primary source of funds for this fund. These revenues come from monthly use charges including basic facilities charges, volumetric rates for wastewater, wastewater connection charges for new customers, and miscellaneous charges for ancillary services.

Growth Related Revenues (Impact Fees): Impact fees are payments made by homebuilders or developers to pay for capital facilities for future customers. Case law requires that impact fee revenues be expended for the direct benefit of the future customers for whom they were paid. Thus, the flow of impact fee funds is kept separate from other revenues.

Debt Proceeds and Grants: Debt proceeds and grants are sources of funds provided by lenders or public agencies that are restricted to expenditures on specific capital projects, regardless of the intended beneficiary. The JIPSD's demand for relocation of current infrastructure, coupled with renewal and replacement projects, has necessitated incurrence of debt from the SC State Revolving Fund Loan program administered by the SC Budget & Control Board.

➤ **Future Debt**

As shown in the Wastewater Capital Improvement Plan, the JIPSD is planning to incur debt of approximately \$13.4M over the next 5 years for pump stations rehabilitation and other sewer line replacement projects.

7 GENERAL & DEBT SERVICE FUNDS

General Fund Revenues & Expenditures Statement

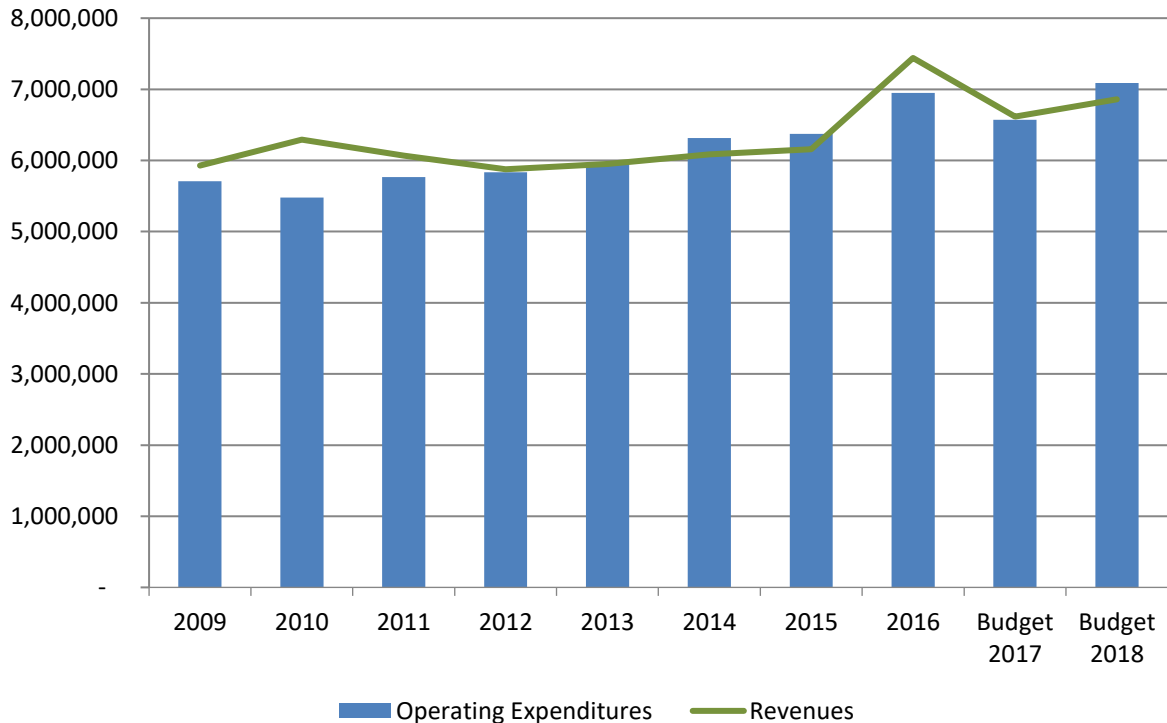
Departmental Line Item Budgets

Debt Service Fund Revenues & Expenditures Statement

**James Island Public Service District
General Fund
Fiscal Year Ended June 30,**

	2009	2010	2011	2012	2013	2014	2015	2016	Budget 2017	Budget 2018
Revenues										
Property Taxes	\$ 5,856,597	\$ 6,181,687	\$ 5,849,494	\$ 5,684,300	\$ 5,664,173	\$ 5,849,017	\$ 6,050,824	\$ 6,974,470	\$ 6,541,133	\$ 6,808,950
Repayment to City of Chas.			(79,066)	(79,066)	(79,066)	(79,066)	(79,066)			
Intergovernmental Revenues	26,233	26,233	201,233	201,753	204,348	201,233	13,362	26,233	26,233	26,233
Lawsuit Proceeds								400,000		
Other Income	44,362	85,544	96,476	69,659	161,483	115,907	171,128	40,174	50,000	25,000
Total Revenues	5,927,192	6,293,464	6,068,137	5,876,646	5,950,938	6,087,091	6,156,248	7,440,877	6,617,366	6,860,183
Expenditures										
Administration & Maintenance	722,353	678,115	719,569	719,743	682,228	707,801	728,217	783,732	842,446	867,080
Fire	3,242,591	3,172,146	3,311,211	3,338,667	3,475,050	3,751,513	3,731,689	3,907,722	3,955,525	4,175,261
Solid Waste	1,692,776	1,592,675	1,706,423	1,661,913	1,778,285	1,819,034	1,789,158	1,848,486	1,756,475	1,946,951
Capital Expenditures	50,006	38,046	27,849	112,347	10,138	36,416	125,055	409,574	16,970	100,025
Total Expenditures	5,707,726	5,480,982	5,765,052	5,832,670	5,945,701	6,314,764	6,374,119	6,949,514	6,571,416	7,089,317
Excess of Revenues Over / (Under) Expenditures	219,466	812,482	303,085	43,976	5,237	(227,673)	(217,871)	491,363	45,950	(229,134)
Other Financing Sources										
Transfers In/(Out) - Capital Projects Fund			17,760		16,620	(49,574)			(400,000)	
Proceeds from capital leases								987,332		
Sale of Assets	57,302	(12,874)						17,289		
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	276,768	799,608	320,845	43,976	21,857	(277,247)	(217,871)	1,495,984	(354,050)	(229,134)
Fund Balance, Beginning Balance, July 1	2,167,969	2,444,737	3,244,345	3,565,190	3,609,166	3,631,023	3,353,776	3,135,907	4,631,891	4,277,841
Fund Balance, Ending	2,444,737	3,244,345	3,565,190	3,609,166	3,631,023	3,353,776	3,135,907	4,631,891	4,277,841	4,048,707
Millage Rate	51.6	53.5	53.5	53.50	51.10	51.10	51.10	51.10	53.10	53.10

Trend in General Fund Revenues and Expenditures



**GENERAL FUND
Revenue & Expenditure Summary**

	Actual FY15-16	Budget FY16-17	Proposed Budget FY17-18	Projection FY18-19	Projection FY19-20	Projection FY20-21	Projection FY21-22	Projection FY22-23
Revenues								
Property Taxes	6,974,470	6,541,133	6,808,950	6,873,635	6,938,934	7,004,854	7,276,400	7,345,526
Intergovernmental Revenues	26,233	26,233	26,233	26,233	26,233	26,233	26,233	26,233
Other Income	40,174	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Lawsuit Proceeds	400,000							
Total Revenues	7,440,877	6,617,366	6,860,183	6,924,868	6,990,167	7,056,087	7,327,633	7,396,759
Expenditures								
Administration & Fleet	783,732	842,446	867,080	881,820	896,811	912,057	927,562	943,331
Fire	3,907,722	3,955,525	4,175,261	4,346,240	4,421,427	4,497,930	4,575,774	4,654,983
Solid Waste	1,848,486	1,756,475	1,946,951	1,980,049	2,013,710	2,047,943	2,082,758	2,118,165
Capital Outlay	409,574	16,970	100,025	30,000	30,000	30,000	30,000	30,000
Total Expenditures	6,949,514	6,571,416	7,089,317	7,238,110	7,361,948	7,487,930	7,616,094	7,746,478
Excess of Revenues Over / (Under) Expenditures	491,363	45,950	(229,134)	(313,242)	(371,780)	(431,843)	(288,460)	(349,719)
Other Financing Sources								
Proceeds from sale of assets	17,289							
Proceeds from capital leases	987,332							
Other Financing Uses								
Transfer to Capital Projects Fund		(400,000)						
Total Other Financing Sources/(Uses)	1,004,621	(400,000)						
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures	1,495,984	(354,050)	(229,134)	(313,242)	(371,780)	(431,843)	(288,460)	(349,719)
Fund Balance - July 1	3,135,907	4,631,891	4,277,841	4,048,707	3,735,465	3,363,684	2,931,841	2,643,381
Fund Balance - June 30	4,631,891	4,277,841	4,048,707	3,735,465	3,363,684	2,931,841	2,643,381	2,293,662

General Fund Revenue Projections

Budget FY18 Tax Year FY16		Tax District 3-1		Tax District 3-5		Tax District 3-6		Tax District 3-7	
Description	Asmt.	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value
MOTOR VEHICLES (JUL-DEC 2016)									
Motor Vehicles	6%	74,032,164	4,441,930	9,719,942	583,197	5,012,390	300,743	666,667	40,000
Motor Vehicles	10.50%	3,150,097	330,760	455,366	47,813	231,111	24,267	-	-
Total Collectible Base		77,182,261	4,772,690	10,175,308	631,010	5,243,501	325,010	666,667	40,000
Collection Rate		88.57%	88.57%	87.55%	87.55%	85.60%	85.60%	80.78%	80.78%
Net Collectible Base		68,360,329	4,227,172	8,908,482	552,449	4,488,437	278,209	538,534	32,312
Millage Rate			0.0531	64.10%	0.0340		0.0531	64.10%	0.0340
Vehicle Tax Collections (July-Dec)		\$ 224,463		\$ 18,804		\$ 14,773		\$ 1,100	\$ 259,139
MOTOR VEHICLES (JAN-JUN 2017)									
Motor Vehicles	6%	67,783,889	4,067,033	9,929,850	595,791	4,834,801	290,088	514,511	30,871
Motor Vehicles	10.50%	3,789,968	397,947	480,943	50,499	285,733	30,002	5,041	529
Total Collectible Base		71,573,857	4,464,980	10,410,793	646,290	5,120,534	320,090	519,552	31,400
Collection Rate		88.57%	88.57%	87.55%	87.55%	85.60%	85.60%	87.13%	87.13%
Net Collectible Base (Jan-Jun)		63,392,965	3,954,633	9,114,649	565,827	4,383,177	273,997	348,775	21,079
Millage Rate			0.0531		0.0340		0.0531		0.0340
Vehicle Tax Collections (Jan-Jun)		\$ 209,991		\$ 19,259		\$ 14,549		\$ 717	\$ 244,517
TOTAL VEHICLE COLLECTIONS		\$ 434,454		\$ 38,063		\$ 29,322		\$ 1,817	\$ 503,656
REAL/PERSONAL PROPERTY:									
Total Base - Real/Personal Property		2,042,672,583	98,093,540	575,647,100	26,793,227	85,795,481	4,134,014	58,334,143	3,131,140
Collection Rate (Real/Pers.)		94.21%	94.21%	94.60%	94.60%	92.17%	92.17%	96.71%	96.71%
Collectible Base Real/Pers. Prop.		1,924,401,840	92,413,924	544,562,157	25,346,393	79,077,695	3,810,321	56,414,950	3,028,125
Millage Rate			0.0531		0.0340		0.0531		0.0340
TOTAL REAL/PERSONAL PROPERTY		\$ 4,907,179		\$ 862,718		\$ 202,328		\$ 103,069	\$ 6,075,294
Total Collectible Base for Real and MV (Jan-Jun)			96,368,557		25,912,220		4,084,318		3,049,204
Millage Rate			0.0531		0.0340		0.0531		0.0340
Total Ad Valorem Taxes for Jan.-Jun.			\$ 5,117,170		\$ 881,977		\$ 216,877		\$ 103,786
Total Ad Valorem Taxes			\$ 5,341,633		\$ 900,781		\$ 231,650		\$ 104,886
									Delinquent Taxes \$ 230,000
									Total Projected Revenues \$ 6,808,950

James Island Public Service District
Debt Service Fund
Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	Budget 2017	Budget 2018
Revenues										
Property Taxes	\$ 445,833	\$ 422,062	\$ 473,616	\$ 463,250	\$ 421,189	\$ 428,484	\$ 441,329	\$ 476,934	\$ 475,225	\$ 472,674
Repayment to City			\$ (7,189)	(7,189)	(7,189)	(7,189)	(7,189)			
Intergovernmental Revenues	225	225	225	225	13,510	13,479	13,291			
Total Revenues	\$ 446,058	\$ 422,287	\$ 466,652	\$ 456,286	\$ 427,510	\$ 434,774	\$ 447,431	\$ 476,934	\$ 475,225	\$ 472,674
Debt Service										
Current										
Fire Stations 3 & 4 GO Bonds - Principal	\$ 9,248	\$ 9,365	\$ 10,314	\$ 29,653	\$ 16,620	\$ 12,785	\$ 14,068	\$ 15,039	\$ 13,833	\$ 14,562
Fire Stations 3 & 4 GO Bonds - Interest	21,653	21,538	20,587	23,875	14,282	18,117	16,835	15,862	17,065	16,336
Capital Leases - Principal	322,614	437,725	425,281	387,085	360,447	310,843	191,978	327,133	295,856	319,158
Capital Leases - Interest	67,037	55,092	67,435	52,155	37,790	27,103	31,349	21,194	29,059	29,466
Future										
Capital Lease - Principal										240,186
Capital Lease - Interest										
Total Expenditures	\$ 420,552	\$ 523,720	\$ 523,617	\$ 492,768	\$ 429,139	\$ 368,848	\$ 254,230	\$ 379,228	\$ 355,813	\$ 619,708
Excess of Revenues Over/										
(Under) Expenditures	\$ 25,506	\$ (101,433)	\$ (56,965)	\$ (36,482)	\$ (1,629)	\$ 65,926	\$ 193,201	\$ 97,706	\$ 119,412	\$ (147,034)
Other Financing Sources/(Uses)										
Transfers In - General Fund						\$ 49,554				
Transfers Out	\$ (105,548)				\$ 18,900					
Excess of Revenues and Other Financing										
Sources Over/(Under) Expenditures	(80,042)	(101,433)	(56,965)	(36,482)	17,271	115,480	193,201	97,706	119,412	(147,034)
Fund Balance, Beginning	292,958	212,916	111,483	54,518	19,248	36,519	151,999	345,200	442,906	562,318
Fund Balance, Ending	\$ 212,916	\$ 111,483	\$ 54,518	\$ 18,036	\$ 36,519	\$ 151,999	\$ 345,200	\$ 442,906	\$ 562,318	\$ 415,284
Millage Rate	3.6	4.1	4.1	4.1	3.8	3.8	3.8	3.8	3.8	3.8

DEBT SERVICE FUND
Revenues and Expenditures Summary

	Actual FY16	Budget FY17	Budget FY18	Projection FY19	Projection FY20	Projection FY21	Projection FY22	Projection FY23
Revenues								
Property Tax Revenues	\$ 476,934	\$ 475,225	\$ 472,674	\$ 969,164	\$ 978,371	\$ 1,227,666	\$ 1,239,329	\$ 1,251,102
Debt Service:								
<i>Current</i>			0					
Fire Stations 3 & 4 GO Bonds - Principal	15,039	13,833	14,562	15,328	16,136	15,449	9,605	10,133
Fire Stations 3 & 4 GO Bonds - Interest	15,862	17,065	16,336	15,569	14,762	13,912	13,017	12,489
Capital Leases - Principal	327,133	295,866	319,158	326,074	228,881	186,263	189,782	113,139
Capital Leases - Interest	21,194	29,059	29,466	22,549	15,465	11,349	7,830	4,245
<i>Proposed</i>								
Fire Station 1 Replacement					321,421	321,421	321,421	321,421
Capital Lease - Principal			240,186	402,177	452,867	607,745	604,352	661,706
Capital Lease - Interest				26,908	43,804	44,545	54,804	43,220
Total Expenditures	\$ 379,228	\$ 355,823	\$ 619,707	\$ 808,606	\$ 1,093,337	\$ 1,200,685	\$ 1,200,812	\$ 1,166,354
Excess of Revenues Over/ (Under) Expenditures	\$ 97,706	\$ 119,402	\$ (147,033)	\$ 160,559	\$ (114,966)	\$ 26,981	\$ 38,517	\$ 84,748
Fund Balance, Beginning	345,200	442,906	562,308	415,275	575,834	460,868	487,849	526,366
Fund Balance, Ending	\$ 442,906	\$ 562,308	\$ 415,275	\$ 575,834	\$ 460,868	\$ 487,849	\$ 526,366	\$ 611,114

Debt Service Fund
Revenue Projections

Budget FY18 Tax Year FY16		Tax District 3-1		Tax District 3-5		Tax District 3-6		Tax District 3-7	
Description	Asmt.	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value	Est. Appr. Value	Est. Asmt. Value
MOTOR VEHICLES (JUL-DEC 2016)									
Motor Vehicles	6%	74,032,164	4,441,930	9,719,942	583,197	5,012,390	300,743	666,667	40,000
Motor Vehicles	10.50%	3,150,097	330,760	455,366	47,813	231,111	24,267	-	-
Total Collectible Base		77,182,261	4,772,690	10,175,308	631,010	5,243,501	325,010	666,667	40,000
Collection Rate		88.57%	88.57%	87.55%	87.55%	85.60%	85.60%	80.78%	80.78%
Net Collectible Base		68,360,329	4,227,172	8,908,482	552,449	4,488,437	278,209	538,534	32,312
Millage Rate			0.0038	64.10%	0.0024		0.0038	64.10%	0.0024
Vehicle Tax Collections (July -Dec)			\$ 16,063		\$ 1,346		\$ 1,057		\$ 79
									\$ 18,545
MOTOR VEHICLES (JAN-JUN 2017)									
Motor Vehicles	6%	67,783,889	4,067,033	9,929,850	595,791	4,834,801	290,088	514,511	30,871
Motor Vehicles	10.50%	3,789,968	397,947	480,943	50,499	285,733	30,002	5,041	529
Total Collectible Base		71,573,857	4,464,980	10,410,793	646,290	5,120,534	320,090	519,552	31,400
Collection Rate		88.57%	88.57%	87.55%	87.55%	85.60%	85.60%	87.13%	87.13%
Net Collectible Base (Jan-Jun)		63,392,965	3,954,633	9,114,649	565,827	4,363,177	273,997	348,775	21,079
Millage Rate			0.0038		0.0024		0.0038		0.0024
Vehicle Tax Collections (Jan-Jun)			\$ 15,028		\$ 1,378		\$ 1,041		\$ 51
									\$ 17,498
TOTAL VEHICLE COLLECTIONS			\$ 31,091		\$ 2,724		\$ 2,098		\$ 130
									\$ 36,043
REAL/PERSONAL PROPERTY:									
Total Base - Real/Personal Property		2,042,672,583	98,093,540	575,647,100	26,793,227	85,795,481	4,134,014	58,334,143	3,131,140
Collection Rate (Real/Pers.)		94.21%	94.21%	94.60%	94.60%	92.17%	92.17%	96.71%	96.71%
Collectible Base Real/Pers. Prop.		1,924,401,840	92,413,924	544,562,157	25,346,393	79,077,695	3,810,321	56,414,950	3,028,125
Millage Rate			0.0038		0.0024		0.0038		0.0024
TOTAL REAL/PERSONAL PROPERTY			\$ 351,173		\$ 61,739		\$ 14,479		\$ 7,376
									\$ 434,767
Total Collectible Base for Real and MV (Jan-Jun)			96,368,557		25,912,220		4,084,318		3,049,204
Millage Rate			0.0038		0.0024		0.0038		0.0024
Total Ad Valorem Taxes for Jan.-Jun.			\$ 366,201		\$ 63,117		\$ 15,520		\$ 7,427
Total Ad Valorem Taxes			\$ 382,264		\$ 64,463		\$ 16,578		\$ 7,506
									\$ 470,810

Total Projected Revenues \$ 470,810

8 PROPRIETARY FUND
Wastewater Revenues & Expenses Statement
Capital Improvement Plan

WASTEWATER-Proprietary Fund

	Actual FY16	Budget FY17	Proposed Budget FY18	Projection FY19	Projection FY20	Projection FY21	Projection FY22	Projection FY23
Revenues								
Service Charges								
District Customers	4,263,283	5,833,138	5,907,735	5,937,274	5,966,960	5,996,795	6,026,779	6,056,913
Transporation Customers	1,103,621	1,134,134	1,260,000	1,272,600	1,285,326	1,298,179	1,311,161	1,324,273
Folly Beach	370,397	371,024	401,024	413,055	413,055	413,055	413,055	413,055
Fees								
Tap Fees	58,220	70,896	72,000	74,160	76,385	78,676	81,037	83,468
Impact Fees	125,080	292,082	50,000	50,500	51,005	51,515	52,030	52,551
Other Income	242,809	236,661	244,380	247,580	250,272	253,007	255,786	258,610
Total Revenues	\$ 6,163,410	\$ 7,937,935	\$ 7,935,139	\$ 7,995,168	\$ 8,043,003	\$ 8,091,227	\$ 8,139,848	\$ 8,188,868
Expenses								
Salaries, Wages and Benefits	\$ 1,664,600	\$ 1,580,537	\$ 1,675,165	\$ 1,683,541	\$ 1,691,959	\$ 1,700,418	\$ 1,708,920	\$ 1,717,465
Operations and Maintenance	3,735,386	3,451,774	4,417,940	3,940,030	3,959,730	3,979,529	3,999,426	4,019,424
Administrative	302,859	272,510	322,197	323,808	325,427	327,054	328,690	330,333
Total Expenses	\$ 5,702,845	\$ 5,304,821	\$ 6,415,302	\$ 5,947,379	\$ 5,977,116	\$ 6,007,001	\$ 6,037,036	\$ 6,067,222
Operating Income (Loss)	\$ 460,565	\$ 2,633,114	\$ 1,519,837	\$ 2,047,789	\$ 2,065,887	\$ 2,084,226	\$ 2,102,811	\$ 2,121,647
Nonoperating Revenue / (Expenses)								
Interest Income	\$ 1,850	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,500	\$ 2,500	\$ 2,500
Gain on Sales of Fixed Assets	(50,270)	10,000	10,000	5,000	5,000	5,000	5,000	5,000
Capital Contributions	1,360,156							
Interest Expense	(225,279)	(297,618)	(296,471)	(260,889)	(247,158)	(233,091)	(218,679)	(203,911)
Total Nonoperating Rev. / (Exp.)	\$ 1,086,457	\$ (285,518)	\$ (284,371)	\$ (253,789)	\$ (240,058)	\$ (225,591)	\$ (211,179)	\$ (196,411)
Change in Net Position	\$ 1,547,022	\$ 2,347,596	\$ 1,235,466	\$ 1,794,000	\$ 1,825,829	\$ 1,858,635	\$ 1,891,633	\$ 1,925,236
Total Net Position, Beginning	31,853,742	33,400,763	35,748,359	36,983,825	38,777,825	40,603,655	42,462,290	44,353,922
Total Net Position, Ending	\$ 33,400,763	\$ 35,748,359	\$ 36,983,825	\$ 38,777,825	\$ 40,603,655	\$ 42,462,290	\$ 44,353,922	\$ 46,279,158

WASTEWATER CAPITAL IMPROVEMENT PLAN

FINANCING SOURCES	5-year Capital Improvement Plan							5-year Total
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	
Debt Sources (RD, SRF)	\$ 600,000	\$ 1,800,000	\$ 1,000,000	\$ 5,800,000	\$ 2,400,000	\$ 1,950,000	\$ 2,200,000	\$ 13,350,000
Tap/Impact Fees	\$	\$						
Retained Earnings of the System	\$ 298,100	\$ 1,534,747	\$	\$	\$	\$	\$	\$
Total Financing Sources	\$ 898,100	\$ 3,334,747	\$ 1,000,000	\$ 5,800,000	\$ 2,400,000	\$ 1,950,000	\$ 2,200,000	\$ 13,350,000
PROJECTS								
Pump Station Rehabilitation								
PS#2 FM Replacement - Ph1		\$ 1,800,000						
PS#2 FM Replacement - Ph2			\$ 4,800,000					\$ 4,800,000
Pump Station#2 Upgrade - Ph3				\$ 1,400,000				\$ 1,400,000
Pump Station#1 Upgrade - Ph4					\$ 950,000			\$ 950,000
Forcemain & Gravity Line Replacements								
Sewer Trunk Rehab @ Dills Bluff & Ft Johnson	\$ 600,000						\$ 1,200,000	\$ 1,200,000
Folly Creek Bridge to PS #33 FM Replacement							\$ 1,000,000	\$ 1,000,000
SSES Found Projects			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Subtotal	\$ 600,000	\$ 1,800,000	\$ 1,000,000	\$ 5,800,000	\$ 2,400,000	\$ 1,950,000	\$ 2,200,000	\$ 13,350,000
Other Projects								
SSES of Collection System	\$ 298,100	\$ 1,534,747						
Subtotal	\$ 298,100	\$ 1,534,747	\$	\$	\$	\$	\$	\$
TOTAL CAPITAL PROJECTS	\$ 898,100	\$ 3,334,747	\$ 1,000,000	\$ 5,800,000	\$ 2,400,000	\$ 1,950,000	\$ 2,200,000	\$ 13,350,000

9 SUPPLEMENTARY INFORMATION

Budget Ordinance
Service Area Map
Organizational Chart
Statistical Information

**JAMES ISLAND PUBLIC SERVICE JIPSD
ORDINANCE NO. 2017-001**

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE FISCAL YEAR JULY 1, 2017, THROUGH JUNE 30, 2018

NOW, THEREFORE, be ordained by the James Island Public Service District Commission ("Commission"), in meeting duly assembled, finds as follows:

SECTION 1: As set by Commission, the Charleston County Auditor (the "Auditor") shall levy 53.1 mills for General Fund purposes and 3.8 mills for the Debt Service in the year 2017, and the Charleston County Treasurer shall collect the proceeds of the levy upon all taxable property within the boundaries of the JIPSD during the fiscal year beginning July 1, 2017, and ending June 30, 2018.

SECTION 2: It is hereby appropriated from the General, Debt Service, and Proprietary Funds referred to in SECTION 1, the following amounts of money for the following respective purposes for and during the period beginning July 1, 2017 and ending June 30, 2018, to wit:

APPROPRIATIONS

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>PROPRIETARY</u>
<u>Department</u>			
Administration/Maintenance	\$ 867,080	\$ -	\$922,394
Fire	4,175,261	-	-
Solid Waste	1,946,951	-	-
Capital Outlay	100,025	-	-
Non-departmental	-	619,707	-
Wastewater Operations	-	-	5,492,908
TOTAL	<u>\$7,089,317</u>	<u>\$ 619,707</u>	<u>\$6,415,302</u>

SECTION 3: Unless covered by SECTION 4, all of the foregoing appropriations are maximum and conditional, and subject to reduction by action of the Commission in the event that the JIPSD's revenues accruing to its General, Debt Service and Proprietary Funds, as provided in Section 1, shall be insufficient to pay the same, to the end that the cost of operating of the JIPSD government shall remain at all times within its income.

SECTION 4: The JIPSD's approved operating budget, with the detail and provisos as so stated in the document titled the James Island Public Service JIPSD Budget and

Financial Plan for Fiscal Year 2018, which is hereby incorporated by reference as part of this Ordinance as if fully set forth herein, is hereby adopted.

SECTION 5: The anticipated revenues accruing to the General, Debt and Proprietary Funds are stated in this Budget Ordinance. Should actual funding sources for any such fund be less than projected, the District Manager shall reduce budgeted disbursements attributable to the fund. Should actual funding sources be greater than projected in this Ordinance, the District Manager may revise budgeted disbursements or direct the increase to be held for future years' disbursements.

SECTION 6: All monies properly encumbered as of June 30, 2017, shall be added to the budget for Fiscal Year 2018. These encumbered monies may be expended only as set forth in their encumbrance except as authorized by the District Manager. Unencumbered appropriations shall remain in the respective funds as unrestricted reserves whose subsequent appropriation shall be determined by ordinance.

SECTION 7: All monies properly encumbered as of June 30, 2017, shall be added to the JIPSD's budget for Fiscal Year 2018. These designated monies may be expended only as set forth in their authorization by the Commission. Unencumbered appropriations shall remain in the respective funds as unrestricted reserves whose subsequent appropriation shall be determined by ordinance.

SECTION 8: (a) Monies received from governmental grants shall accrue only to Special Revenue, Capital Projects, and Proprietary Funds as set forth in this Budget Ordinance. Should grant funds be applied for or received after the beginning of the budget year and thereby not be stated in this Budget Ordinance, then, by passage of JIPSD's resolution authorizing the grant application and expenditures, the necessary Special Revenue, Capital Projects, and Proprietary Funds shall be created to provide a mechanism for the expenditures of these monies.

(b) Funds derived from the sale of real property shall be placed in the Capital Projects Fund, and these funds shall be expended only for capital outlays after specific resolution of the Commission.

SECTION 9: A Rainy Day Fund is established to provide emergency funds for use in the event of a major calamity. This fund will be maintained at no less than three (3%) percent of General Fund disbursements. Any expenditure from the Rainy Day Fund shall be authorized by amendment to this Budget Ordinance by the Commission.

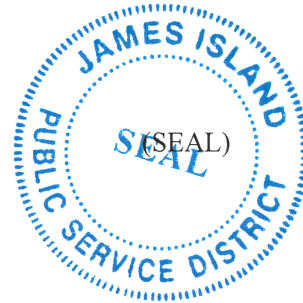
SECTION 10: Contracts necessary to expend monies appropriated in this budget when not specifically permitted by the JIPSD's Fiscal Policy are hereby authorized and the contracts shall be approved by a resolution of the Commission. Awards of bids on capital items, when less than the amount specified in the JIPSD's approved operating budget, are hereby authorized and shall be purchased in accordance with the provisions of the JIPSD's Fiscal Policy.

SECTION 11: If for any reason any provision of this Ordinance, or its applications to any circumstance, is invalidated by a court of competent jurisdiction, the remaining portions of this Ordinance shall remain in full force and effect.

SECTION 12: This Ordinance shall become effective upon approval of the Commission following second reading.

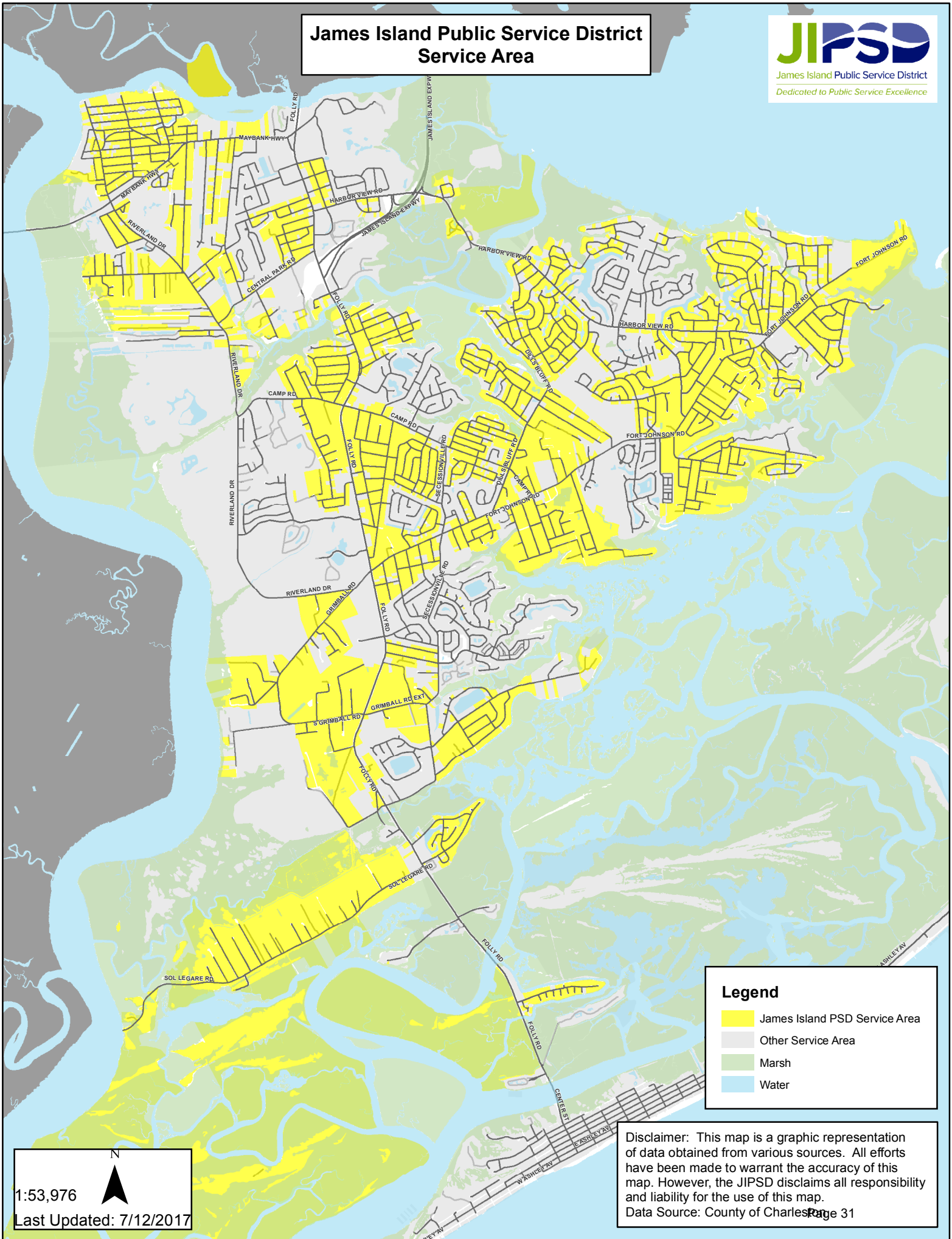

Chair, JIPSD Commission


Secretary, JIPSD Commission



First Reading: May 22, 2017 Second Reading: June 26, 2017

James Island Public Service District Service Area



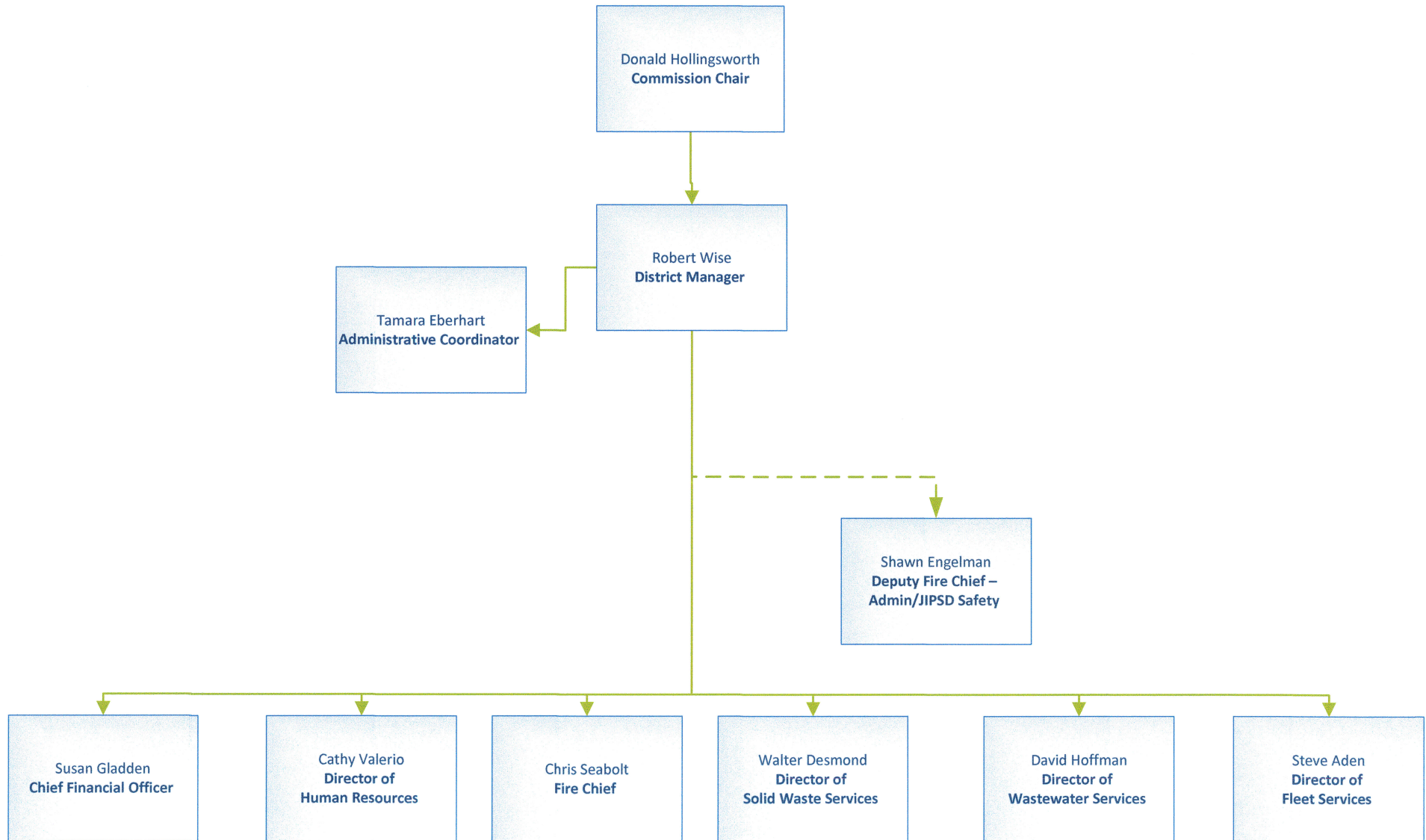
Legend

- James Island PSD Service Area
- Other Service Area
- Marsh
- Water

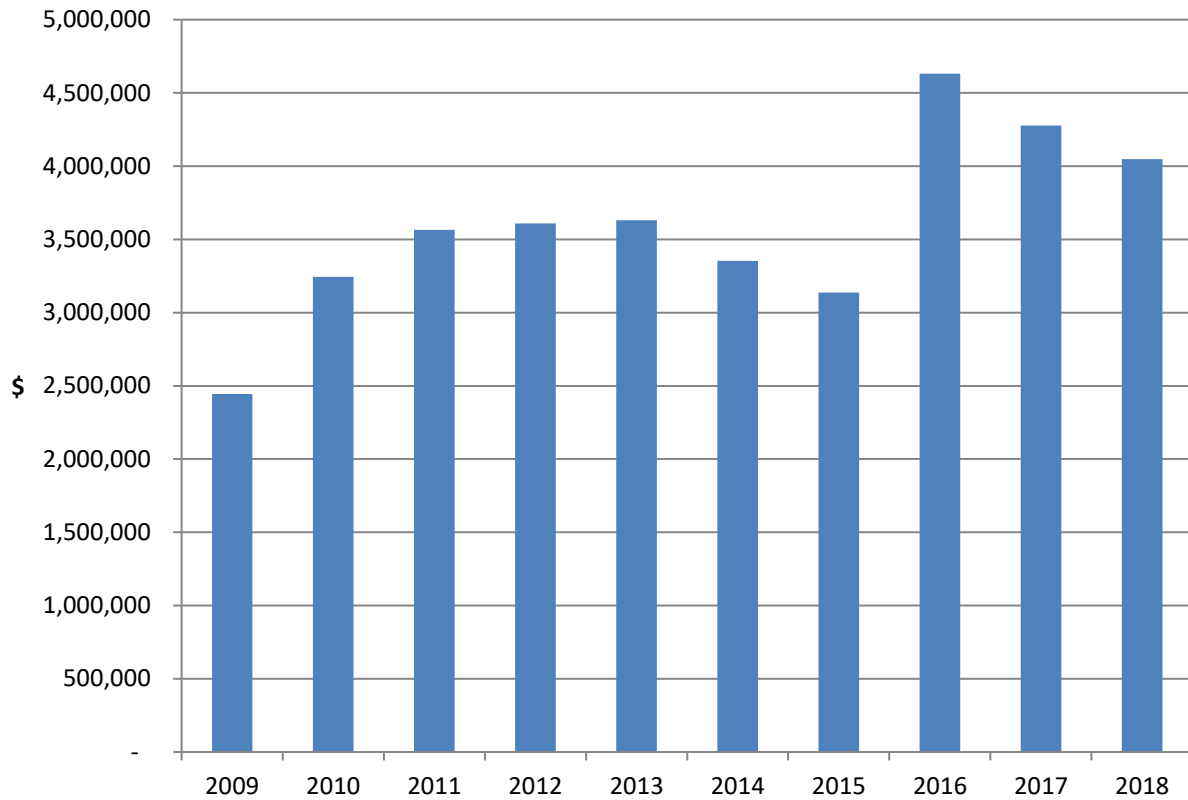
1:53,976
Last Updated: 7/12/2017

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map. However, the JIPSD disclaims all responsibility and liability for the use of this map.
Data Source: County of Charleston
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DISTRICT ORGANIZATIONAL CHART
06/30/2017



General Fund Balance



FISCAL YEAR			FUND BALANCES	
	AVAILABLE FUND BALANCE @ 6/30	CHANGE FROM PREVIOUS YEAR	RESTRICTED	UNRESTRICTED
2009	2,444,737	276,768	76,592	2,368,145
2010	3,244,345	799,608	38,046	3,206,299
2011	3,565,190	320,845	110,125	3,455,065
2012	3,609,166	43,976	86,355	3,522,811
2013	3,631,023	21,857	60,048	3,570,975
2014	3,353,776	(277,247)	28,190	3,325,586
2015	3,135,905	(217,871)	125,000	3,010,905
2016	4,631,889	1,495,984	125,000	4,506,889
2017	4,277,839	(354,050)	125,000	4,152,839
2018	4,048,705	(229,134)	125,000	3,923,705

Assessed Values

	Real & Personal						
Budget Year	3-1	3-6	3-5	3-7	TOTAL	Outstanding GO Debt	%
2009	82,091,344	8,419,902	8,931,346	1,602,590	101,045,182	\$388,975	0.38%
2010	86,222,844	11,066,210	10,052,860	2,852,890	110,194,804	\$379,611	0.34%
2011	86,185,646	12,144,201	9,218,190	3,145,201	110,693,238	\$369,297	0.33%
2012	86,665,067	3,506,751	17,093,394	2,761,060	110,026,272	\$339,644	0.31%
2013	94,081,059	4,328,161	16,896,161	2,884,850	118,190,231	\$323,024	0.27%
2014	91,736,830	5,849,250	16,475,880	2,843,430	116,905,390	\$310,239	0.27%
2015	91,327,130	4,652,210	20,891,490	2,739,300	119,610,130	\$296,171	0.25%
2016	89,946,940	4,812,802	20,949,130	2,758,670	118,467,542	\$281,131	0.24%
2017*	95,956,996	4,791,966	22,471,520	3,131,140	126,351,622	\$269,197	0.21%
2018*	98,093,540	4,134,014	27,610,437	3,211,486	133,049,477	\$254,635	0.19%

*Projected

Salary Adjustments/Merit Pay History

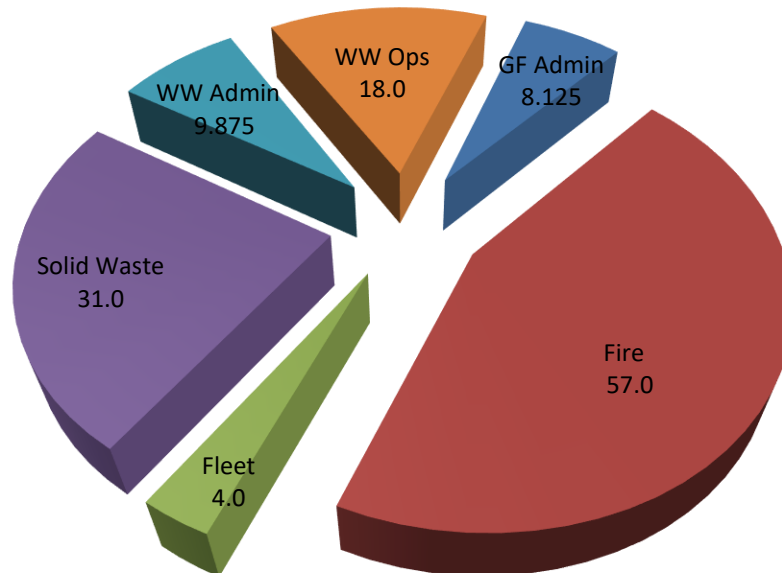
FY	Cost of Living Adj.	Merit Pay
2009*	2.8% / 1%	0-3%
2010	0.0%	0-3%
2011	0.0%	0-3%
2012	0.0%	0-3%
2013	\$1,000	0-3%
2014	3.0%	0%
2015	2.0%	0-4%
2016	5.0%	0-4%
2017	0.0%	0-4%
2018	0.0%	0-4%

*Cost of living adjustment: 2.8% for employees paid \$39,999 or less and 1% to employees paid \$40,000 or more.

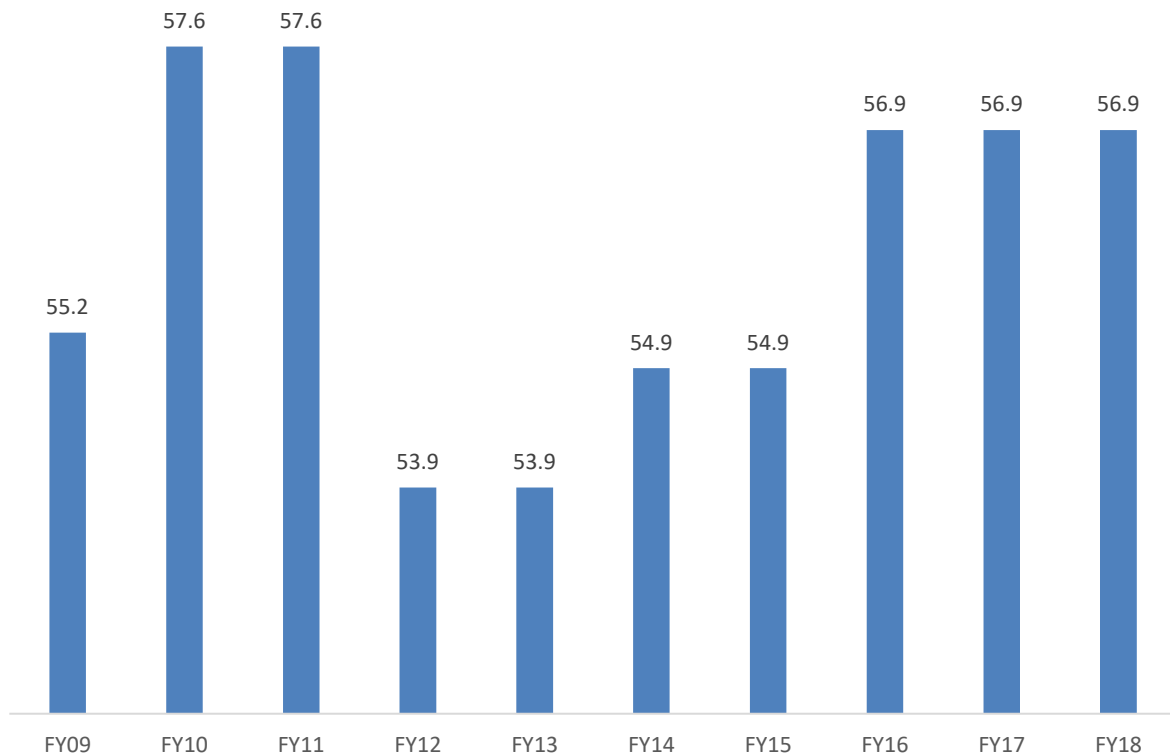
James Island Public Service District
Full Time Equivalent Employee Positions
For the year ending June 30.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund Admin	7.125	7.125	7.125	7.125	7.125	8.125	8.125	8.125	8.125	8.125
Fire	57.000	57.000	57.000	57.000	57.000	57.000	57.000	57.000	57.000	57.000
Fleet	5.000	5.000	5.000	5.000	5.000	4.000	4.000	4.000	4.000	4.000
Solid Waste	31.000	31.000	31.000	31.000	31.000	31.000	31.000	31.000	31.000	31.000
Wastewater Admin	9.875	9.875	9.875	9.875	9.875	9.875	9.875	9.875	9.875	9.875
Wastewater Operations	18.000	18.000	18.000	18.000	18.000	18.000	18.000	18.000	18.000	18.000

FTE's



Millage Rates



Reassessment is the process of revaluing all the property within a jurisdiction (such as a county) to assign new values for tax purposes. Property values change over time due to market fluctuations, but not all properties change at the same rate, so over time some owners pay more in proportion to the property's current value, others pay less.

- Reassessment is required every five years by South Carolina state statutes as a way of equalizing property values so that property owners are assessed in proportion to value.
- In a reassessment, by South Carolina state law, all properties in the county must be revalued at one time and all owners must be notified of changes by the County Assessor.
- Each county is on a reassessment schedule established by the S.C. Department of Revenue.

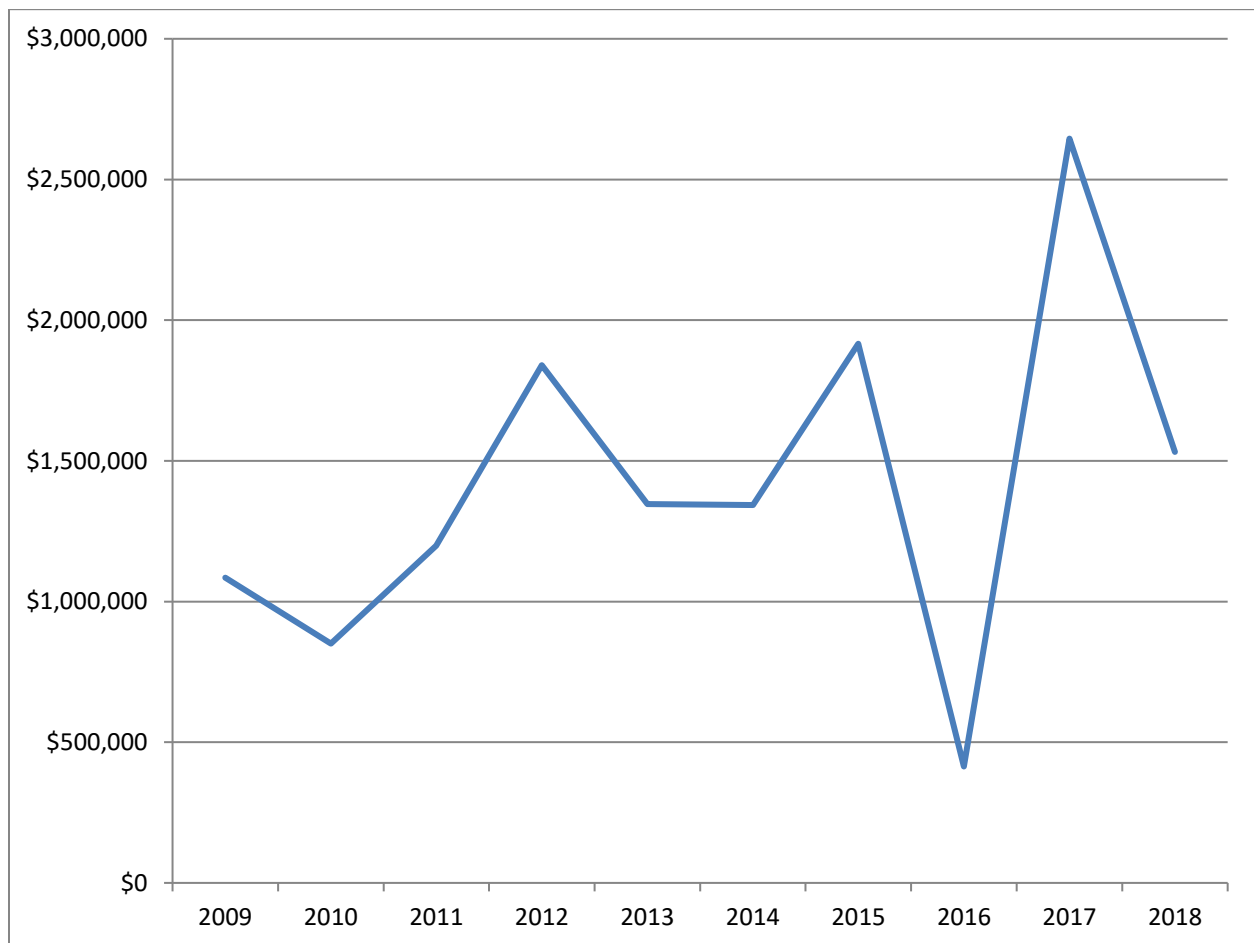
Fiscal year 2016 was the most recent reassessment and properties were valued based on sales and market conditions at the end of 2014.

WASTEWATER OPERATING INCOME

Fiscal Year Ended June 30.

	<u>Actual</u> <u>2009</u>	<u>Actual</u> <u>2010</u>	<u>Actual</u> <u>2011</u>	<u>Actual</u> <u>2012</u>	<u>Actual</u> <u>2013</u>	<u>Actual</u> <u>2014</u>	<u>Actual</u> <u>2015</u>	<u>Actual</u> <u>2016</u>	<u>Budget</u> <u>2017</u>	<u>Budget</u> <u>2018</u>
Revenues										
Retail Customers	\$3,039,437	\$2,975,601	\$3,037,970	\$4,199,338	\$4,098,780	\$4,239,903	\$4,270,080	\$4,263,283	\$5,833,138	\$5,907,735
Wholesale Customers	1,076,421	1,093,876	985,064	1,078,304	975,405	991,571	1,024,443	1,103,621	1,134,134	1,260,000
Folly Beach	302,505	332,904	323,657	298,397	376,727	447,282	395,561	370,397	371,024	401,024
Tap Fees	21,749	15,679	22,416	15,450	40,500	64,880	90,465	58,220	70,896	72,000
Other Fees	143,654	220,331	207,883	217,781	109,316	227,578	454,745	319,469	540,844	306,480
Total Revenues	\$4,583,766	\$4,638,391	\$4,576,990	\$5,809,270	\$5,600,728	\$5,971,214	\$6,235,294	\$6,114,990	\$7,950,036	\$7,947,239
Expenses										
Salaries and Benefits	1,364,103	1,299,916	1,272,934	1,309,388	1,470,689	1,527,034	1,568,413	1,664,600	1,580,537	1,675,165
Operations & Maintenance	1,975,227	2,359,014	1,896,222	2,508,808	2,605,452	2,866,927	2,574,720	3,735,386	3,451,774	4,417,940
Administrative	159,943	129,207	209,079	151,604	178,759	234,067	176,256	301,302	272,510	322,197
Total Expenses	\$3,499,273	\$3,788,137	\$3,378,235	\$3,969,800	\$4,254,900	\$4,628,028	\$4,319,389	\$5,701,288	\$5,304,821	\$6,415,302
Operating Income	\$1,084,493	\$ 850,254	\$1,198,755	\$1,839,470	\$1,345,828	\$1,343,186	\$1,915,905	\$ 413,702	\$2,645,215	\$1,531,937

Operating Income



**JAMES ISLAND PUBLIC SERVICE DISTRICT
WASTEWATER REVENUE HISTORY**

Fiscal Year Ended June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Customers	2,437,466	2,509,740	3,256,780	3,289,289	3,396,717	3,431,550	3,427,490	4,930,655	4,982,735
CWS Customers-Transportation	1,093,876	985,064	965,986	975,405	991,571	1,024,443	1,103,621	1,134,134	1,260,000
Folly Beach	332,904	323,657	348,319	376,727	447,282	395,561	370,397	371,024	401,024
CWS - Full Chg	538,135	528,230	705,029	809,490	843,186	838,529	835,793	902,483	925,000
Late Pmt Fee	69,031	85,445	78,102	77,654	80,705	82,800	74,783	85,644	100,000
New Account Fee	1,476	14,145	14,675	14,390	17,575	18,834	19,170	18,107	20,000
Service Continuance Fee	62,374	84,923	56,851	54,924	60,464	77,238	69,890	62,296	65,000
Reconnect Fee	34,500	18,316	20,940	20,239	22,100	30,200	26,539	24,149	26,000
Tap Inspection Fee	15,679	22,416	18,833	40,500	64,880	90,465	58,220	70,896	72,000
Folly Beach O & M Revenue	39,624	31,921	43,641	35,713	40,359	34,215	40,379	40,359	29,280
Other Income						323,939	137,128	298,189	54,100
Total	4,625,065	4,603,856	5,509,156	5,694,331	5,964,839	6,347,775	6,163,410	7,937,936	7,935,139

Impact Fees

