BUDGET BRIEF

Fiscal Year 2021 / 2022
Dear Pacolet Citizens,

The annual budget presents the Town’s financial plan for the upcoming year. The budget supports the wide array of quality services and initiatives the community expects, and the Town Council is committed to providing. It also supports projects and programs to move Pacolet forward. This past year has presented challenges due to the COVID-19 pandemic. These challenges have strengthened the Town’s commitment to delivering services and serving our community.

As the economy slowly returns to pre-pandemic levels, we will renew our focus on programs and projects that will have a lasting impact on the Town. We will continue to work together to improve the quality of life for our community. This budget conveys the Town’s commitment to serving the citizens of Pacolet.

I would encourage you to spend some time exploring the budget and familiarize yourself with the schedule below, should you wish to be more involved in the process.

Respectfully,

Allison Gantte
Town Administrator
Pacolet is full of rich history. Pacolet is proud to be one of the twenty Preserve America Communities in the State of South Carolina. Pacolet was the home of Pacolet Manufacturing Company, one of the leading textile manufacturing companies in the early 1900’s. The mills in Pacolet were in operation for 100 years, beginning operation in 1883 and ending operation in 1983. The closing of the mill was tragic for the Pacolet community, as it was the primary place of employment for the residents. Pacolet Mills and Pacolet consolidated in 1997 to form the now Town of Pacolet.

Location

Pacolet is located in Spartanburg County, South Carolina. Pacolet sits in the wedge between Union and Cherokee County. Pacolet is located 10 miles from Spartanburg, 40 miles from Greenville, and 90 miles from Columbia, SC. The Town of Pacolet encompasses approximately 5.6 square miles.
DEMOGRAPHICS

2021 Population: 2,653

- White: 78.5%
- African American: 17.5%
- Two or more races: 2.4%

2021 Population: 2,653
DEMOGRAPHICS

Education Attained

Pacolet median household income: $40,863
Spartanburg County median household income: $52,332
U.S. median household income: $62,843

Pacolet poverty rate: 21%
Spartanburg County poverty rate: 12.9%
U.S. poverty rate: 10.5%
MISSION AND VALUES

1. To preserve the character of our community.
2. To care for one another, especially guiding our youth and caring for our aging population.
3. To recognize, celebrate and accept diversity at all levels.
4. To continue the Pacolet tradition of neighbor helping neighbor.
5. To realize our connection to the river and its role in our lives.
6. To preserve and celebrate our natural, physical and cultural history.
7. To provide recreational and learning activities for our citizens.
8. To plan and manage future growth as to benefit our community.
9. To promise a life long commitment to our home, Pacolet.
Priority 1: Explore opportunities that may exist for private-partnerships to complete the Cloth Room rehabilitation and adaptive reuse project given the limited public resources available for the project.

Priority 2: Identify long hanging limbs, overgrowth, and other encroachments which limit sight distance and create a safety hazard to vehicular and pedestrian traffic. Evaluate HWY 150 four-way intersection.
Priority 3: Explore possible programs and partnerships for litter pick-up and anti-litter promotions in the community. Reach out to community based non-profits, churches, the schools, and others to cultivate interest and partners.

Priority 4: Continue current efforts to step-up enforcement of nuisance and property maintenance codes, to streamline the process, and to make the process more effective.
Priority 5: Meet with Spartanburg Water to discuss the need for extensions and upgrades of water and sewer infrastructure within the town and their capital improvement plan.

Priority 6: Develop the concept for a new event / festival held in the spring on the Flats.
Priority 7: Inventory sidewalks and the condition of those sidewalks and develop a prioritized plan for addressing those sidewalk needs.

Priority 8: Promote Pacolet as a destination for cyclist and safe cycling community through the addition of signage and through use of social media and other marketing means.
Priority 9: Develop a building maintenance program.

Priority 10: Appoint a member of council to the Maysville School Committee to serve as a liaison and to better enable the town to assist the committee with their efforts to rehabilitate and adaptively reuse this important and historic resource.
The Town of Pacolet operates under the Council form of government. Pacolet has six districts. The Pacolet Town Council consists of seven members, one member from each district and the Mayor, which is voted at large.

Ned Camby, Mayor
Jason Wright, District One
Daniel Hood, District Two
Theresa Sexton, District Three
Eulalia Siebert, District Four
Jesse Byrd, District Five
Josephine McBeth, District Six
BUDGET HIGHLIGHTS

• No tax increase – millage rate remains at .0824
• No Business License Fee or Franchise Fee increases
• 2.4% decrease in General Fund expenditures
• No reduction in service for our citizens
• 3% COLA to Town employees
• Increased Hours for Assistant Clerk to transition into Court Clerk.
• One additional Police Officer
• Enter into employee share agreement with the Pacolet Fire District to allow the Town to have a part-time Code Enforcement Officer

The Town's General Fund maintained a healthy fund balance of $948,257 for the fiscal year ended June 30, 2019. This was a 11% increase from the fiscal year ended June 30, 2018. The unassigned fund balance portion is 90%, which reflects the strong financial position of the Town. The Town is attentive to the importance of the unassigned fund balance to provide financial stability when needed.
## Operating Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$1,241,196</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>$349,255</td>
</tr>
<tr>
<td>Court</td>
<td>$72,500</td>
</tr>
<tr>
<td>Sanitation</td>
<td>$144,976</td>
</tr>
<tr>
<td>Recreation</td>
<td>$500</td>
</tr>
<tr>
<td>Street Department</td>
<td>$33,300</td>
</tr>
<tr>
<td>Street Lights</td>
<td>$39,350</td>
</tr>
<tr>
<td>Police Department</td>
<td>$600,815</td>
</tr>
<tr>
<td>Zoning</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$1,241,196</strong></td>
</tr>
</tbody>
</table>
The Town’s General Fund revenue comes from a variety of sources. Approximately 45.4% of all annual General Fund revenue is from Property Taxes. The remaining revenue sources include licenses and permits and fees, fines and forfeitures, and intergovernmental revenues.

For every $1000 of assessed property value, owners pay $0.84 in property taxes to the town. The county and the school district levies additional taxes for county-wide services and schools.
GENERAL FUND REVENUE
FY 18/19 THROUGH PROPOSED FY 21/22
The total property taxable value as of 2020, as reported in Spring of 2021 was $5,533,937, a 4% increase from 2019 value. This includes real, personal, retail, manufacturing, and vehicles.

It is anticipated that property values will rise. This is due to new construction and development happening in Pacolet. Within the next year, a 34 unit apartment complex will be completed as well as a 24 unit housing development.
Property taxes are the Town's largest single revenue source, comprising 41.7% of all General Fund revenues.

- **Market Value** is determined by the Spartanburg County Assessor’s Office using a variety of factors such as size, condition, location, and recent selling prices of comparable properties.

- **Assessment Ratio** is a percentage which is multiplied by the appraised market value of a property to determine the assessed value. Owner-occupied residences are assessed at 4%. Commercial properties are generally assessed at 6% and personal property at 6% to 10.5%.

- **Millage** is a term used to describe the rate of taxes levied. A mil is calculated at one dollar per one thousand dollars of assessed value:

For property taxes to be fair and uniform, property values need to be updated to reflect market values for every property. State law requires reassessment every five years. A reassessment occurred in Tax Year 2018 and the next reassessment will occur in Tax Year 2023. The current Town millage for this budget year is .0842 mils.
SAMPLE TAX BILL

Calculation of Town Tax on a $100,000 owner-occupied residence Using current City Millage (for illustration only)

<table>
<thead>
<tr>
<th>TOWN OF PACOLET</th>
<th>Tax Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value</td>
<td>$100,000</td>
</tr>
<tr>
<td>X Assessment Ratio X</td>
<td>.04 (4%)</td>
</tr>
<tr>
<td>Assessed Value</td>
<td>$4,000</td>
</tr>
<tr>
<td>X Millage Rate</td>
<td>.0842</td>
</tr>
<tr>
<td>Tax Bill</td>
<td>$336.80</td>
</tr>
<tr>
<td>+ Sanitation Fee</td>
<td>+$45.00</td>
</tr>
<tr>
<td>Town of Pacolet Total</td>
<td>$381.80</td>
</tr>
</tbody>
</table>

A flat rate fee is assessed to all residential Town of Pacolet properties. The Sanitation Fee is based on the county's existing landfill fee residential unit indicator.
Licenses and permits represent the second largest revenue source for the General Fund, comprising 25% of General Fund revenues. The most significant source is the business license fee, which is a levy based upon each $1,000 of gross receipts, sales, or premiums of business done within the corporate limits of the Town. The Town also receives revenue from companies which provide health, life, and fire insurance to residents/businesses in the Town. This revenue, based on a rate of .75% of gross premiums for life/health insurance and 2.75% of gross premiums for fire insurance, is collected and disbursed to the Town by the Municipal Association of South Carolina. Other revenues in the licenses and permits category include franchise fees for electric, gas, cable television, and telecommunication services. The rate structure is based upon a certain percentage of gross receipts in each case, and the basis of each forecast is trend analysis which generally parallels the rate of inflation.

- **Insurance**: 45.3%
- **Franchise Fee**: 26.6%
- **Business Licenses**: 28.1%

**Franchise Fees**
- Duke Energy - 3%
- Union Gas - 3%
- Charter Cable 3%
# BUSINESS LICENSE RATE CLASS SCHEDULE

<table>
<thead>
<tr>
<th>Class</th>
<th>Base Rate</th>
<th>Inside Town</th>
<th>Outside Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>$30.00</td>
<td>$0.30</td>
<td>$0.60</td>
</tr>
<tr>
<td>Class 2</td>
<td>$35.00</td>
<td>$0.35</td>
<td>$0.75</td>
</tr>
<tr>
<td>Class 3</td>
<td>$40.00</td>
<td>$0.40</td>
<td>$0.80</td>
</tr>
<tr>
<td>Class 4</td>
<td>$45.00</td>
<td>$0.45</td>
<td>$0.90</td>
</tr>
<tr>
<td>Class 5</td>
<td>$50.00</td>
<td>$0.50</td>
<td>$1.00</td>
</tr>
<tr>
<td>Class 6</td>
<td>$55.00</td>
<td>$0.55</td>
<td>$1.10</td>
</tr>
<tr>
<td>Class 7</td>
<td>$60.00</td>
<td>$0.60</td>
<td>$1.20</td>
</tr>
</tbody>
</table>

Per $1,000 of gross income
There were 106 business licenses issued in FY 20/21. We anticipate this number to remain constant in FY 21/22.
Fines and forfeitures consist of fines imposed and collected by the Municipal Court for misdemeanor crimes, moving traffic violations, parking violations, and court costs. The forecast is based on historical trends and adjusted for any known changes in Police arrest or prosecution policies, and/or changes in court jurisdictions and fine limitations. Fines and forfeitures represent 11.3% of the General Fund budget.

State-shared revenue is generally distributed on a pro-rata basis according to population or other set formula. The single largest source is Aid to Subdivisions distributed quarterly from the Local Government Fund. The total amount allocated to municipalities in FY 21/22 is $40,078,907. The Town of Pacolet is allocated $54,337, plus an additional $2,649 to make up for loss funds in FY 20/21 due to the State not passing a budget, and going off a continuing resolution from FY 19/20.
The Town of Pacolet’s largest expenditure/expense for all funds is personnel costs at $743,034, or 63.9% of the entire budget. The City’s second largest expenditure/expense is $316,269 for operating costs. This is 27.2% of the entire budget.

Expenditures/expenses that are major to each department are noted on their respective budget pages.

General Fund expenditures in FY 2021 /2022 are projected to be 2.4% less than the FY 2020 /2021 adopted budget.
Expenditure Total: $1,241,196

Expenditures are the expenses the Town incurs during the fiscal year. This includes personnel, operating, and capital costs. This is a $30,072 decrease from FY 20/21.
POLICE DEPARTMENT

FY 21 / 22 Additions:
- One full-time, certified class one officer
- One part-time code enforcement officer via contract.
- Necessary upgrades to outdated equipment.
- Wage adjustments to remain competitive with local agencies.

Personnel Costs 67.7%
Operating Costs 19.9%
Capital Costs 12.4%
In 2020 the Department received grants and federal funds from the S.C. Department of Public Safety, the U.S. Deputies Sheriff’s Association, Walmart, and the CARES act. This was used to purchase a K9 vehicle and equipment.
FY 21 / 22 Additions:
- Increased hours for part-time assistant clerk.
- 3% COLA increase.
- Town-wide notification system.
- Additional events and programs.
Pacolet Farmer's Market
We started the Pacolet Farmer's market in 2020. In total we had 25 different vendors set up at the Market.

Pacolet Pumpkin Patch
This was a town-wide trick or treat event that allowed safe and socially distanced family fun. Approximately 300 community members participated.

Christmas Gift Giveaway
We collected gift donations throughout December to donate to families in need this past Christmas season. We were able to provide gifts to 202 children / 67 families.

Pacolet Indian Summer Festival
This years festival welcomed approximately 2,000 guests from across the Upstate. Regional bands, 83 craft vendors and 10 food vendors made it fun, family friendly day for all who attended.
PUBLIC WORKS

FY 21 / 22 Additions:
- 3% COLA Increase
- Efficiency Improvements.
- Streetscape Improvements.

FY 21 / 22 Projects:
- Pacolet Gateway Project (HWY 150 - Sunny Acres Rd. improvements and roundabout)

- Personnel Costs 44.6%
- Operating Costs 43.5%
- Capital Costs 11.9%
In 2020 the Town was able to purchase a new trash truck. Since purchasing we have been able to provide a more reliable service to our citizens.

SCDOT made repairs and improvements to the HWY 150 bridge and HWY 176.
Over the past 10 years the Town has seen an overall budget increase of 34.5%. This is attributed to Town limit boundary expansion (annexation), rise in property values, and an increase in business license and fee revenue.