

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
NOTICE OF PUBLIC HEARING
Tuesday, June 12, 2018
Fripp Island Fire Station
9:30 a.m.**

As required by Section 6-1-80, Code of Laws of South Carolina, 1976, as amended, the Fripp Island Public Service District will hold a public hearing to receive public comment on the District's proposed fiscal year 2019 budgets. The hearing will be held on June 12, 2018 at the Fripp Island Fire Station located at 289 Tarpon Blvd on Fripp Island, S.C.

The current budgets for fiscal year 2017-2018 and the proposed budgets for fiscal year 2018-2019 are as follows:

	FY 2017-2018	FY 2018-2019	Percent
	<u>Approved</u>	<u>Proposed</u>	<u>Change</u>
Erosion, Bridge & Fire Depart. Operations			
Tax Revenues \$	617,610	\$ 641,830	3.9%
Expenditures \$	734,040	\$ 937,480	27.7%
Taxes Levied (Mills)	13.26	13.78	3.9%
Erosion & Bridge Natural Disaster Levy			
Tax Revenues \$	57,870	\$ 0	-100%
Expenditures \$	57,870	\$ 0	-100%
Taxes Levied (Mills)	1.24	0	-100%
Fire Department(FY17-18)/Erosion, Bridge Reserve Levy(FY18-19)			
Tax Revenues \$	50,000	\$ 50,000	0%
Expenditures \$	0	\$ 0	0%
Taxes Levied (Mills)	1.07	1.07	0%
Water & Wastewater Operations			
Revenues from User Fees \$	1,960,220	\$ 2,011,510	2.6%
Expenditures \$	1,976,870	\$ 2,455,680	24.2%
Taxes Levied (Mills)	N/A	N/A	N/A
General Obligation Bond Annual Debt Service			
Tax Revenues \$	442,960	\$ 751,830	69.7%
Bond Payments \$	442,960	\$ 751,830	69.7%
Taxes Levied (Mills)	9.51	16.14	69.7%
Total Taxes Levied (Mills)	25.08	30.99	23.6%

1. Beaufort County is presently undergoing reassessment. The tax levy for FY 2019 is based on the value of a mill provided by Beaufort County on April 25, 2018 using reassessed property values. The proposed tax levy for fiscal year 2019 reflects an increase of 5.91 mills over the prior year due to voter referendum authorized debt and increased operations expenditures, but actual tax revenues for operations will only increase by 3.9% over the prior fiscal year. Due to county-wide reassessment, the number of mills levied for FY 2019 could change, but the actual tax revenue collected will remain as proposed.
2. Section 6-1-320 of the Code of Laws of South Carolina allows for the suspension of the O&M millage increase limitation, by a two-thirds vote of the governing body, for recovery from a natural disaster. For fiscal year 2018, the millage rate limitation was suspended by a two-thirds vote of the Fripp Island Public Service District Commission to impose additional millage to recover from a net expenditure of \$57,870 for recovery from Hurricane Matthew. This millage will not be imposed during fiscal year 2019.
3. Section 6-1-320 of the Code of Laws of South Carolina exempts millage used to build/maintain a reserve account from the O&M millage increase limitation. The Fire Department imposed millage to build a reserve of \$50,000 by imposing an additional levy of 1.07 mills during fiscal year 2018. During fiscal year 2019, the District will impose a levy of 1.07 mills to build/maintain a reserve fund for emergency bridge expenses such as insurance deductibles.

4. Expenditures for Erosion, Bridge & Fire Dept. Operations include expenses paid from cash reserves.
5. Water and Wastewater Operations revenues include water & sewer user fees and annual special assessments for sewer system construction totaling \$366,990, which will appear on the 2018 Beaufort County tax bill for the affected real properties. Revenues from cell tower leases and interest income are not included. Water and Wastewater Operations expenditures include the wholesale purchase of water from the BJW&SA, operation & maintenance expenses and the annual debt service for the revenue bonds issued for the construction of the sewer collection system. Depreciation, amortization of deferred debt and capital improvements paid from capital fund reserves are not included. Residential and commercial base water rates will remain the same. Volumetric water rates **will increase** by \$0.10/1,000 gallons for all customers due to an increase in the wholesale cost of water. Sewer rates **will increase** \$0.50/quarter for all customers.
6. The General Obligation Bond Annual Debt Service of \$751,830 includes the annual payments to the South Carolina State Revolving Fund for monies borrowed in 2005 and 2014 for the construction of and improvements to a wastewater treatment facility, and new debt authorized by a voter referendum and incurred in 2018 for repairs to an erosion control structure damaged during Hurricane Matthew and replacement of the water transmission main along US Hwy 21 in conjunction with SCDOT's replacement of the Harbor River Bridge.
7. For a \$500,000 home assessed at 4 percent (primary residence), the total, proposed tax levy is \$619.80; an increase of \$118.20. For a \$500,000 home assessed at 6 percent, the total, proposed tax levy is \$929.70; an increase of \$177.30.

The District's fiscal year 2019 begins July 1, 2018. Copies of the budgets and water and sewer rates are available at the Fripp Island PSD office. Public comments, written or oral, are invited. Written comments may be mailed to the Fripp Island Public Service District, 291 Tarpon Blvd., Fripp Island, S.C. 29920 or e-mailed to contact@fipsd.org.