

ORDINANCE NUMBER 2909

**TO RAISE REVENUE FOR THE CITY OF SUMTER, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDING JUNE 30, 2027**

BE IT ORDAINED by the Mayor and Council of the City of Sumter, South Carolina, this 16th day of June 2026, in Council duly assembled and by the authority of same:

SECTION 1. Pursuant to Section 5-13-90(2) of the South Carolina Code of Laws of 1976, as amended (the "South Carolina Code"), the City Manager of the City of Sumter, South Carolina (the "City"), has prepared and presented to this meeting a budget for the fiscal year beginning July 1, 2026, and ending June 30, 2027 (the "Fiscal Year 2027 Budget"). A copy of the Fiscal Year 2027 Budget has been provided to the City Council of the City (the "Council") and is incorporated herein by reference.

SECTION 2. Pursuant to Section 6-1-80 of the South Carolina Code, notice of a public hearing on the Fiscal Year 2027 Budget was published in *The Item*, a newspaper of general circulation in the City, on May 2, 2026. The form of the published notice is attached hereto.

SECTION 3. Pursuant to Section 5-13-30(3) of the South Carolina Code, the Council has the authority and responsibility to approve the annual budget for the City. The Fiscal Year 2027 Budget as presented is hereby approved in accordance with its terms. The information as set forth in Exhibit A, Exhibit B and Exhibit C is attached hereto and made a part hereof.

SECTION 4. For the fiscal year ending June 30, 2026 the City levied an *ad valorem* property tax in the amount of 112 mills, comprising 108 mills for operational purposes and 4 mills for the payment of debt service on general obligation indebtedness of the City. Pursuant to Section 6-1-320(A)(1) of the South Carolina Code, the City "may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indexes for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the [City]." Additionally, pursuant to Section 6-1-320(A)(2) of the South Carolina Code, "there may be added to the operating millage increase allowed, the operating millage allowed but not previously imposed for the three (3) property tax years preceding the year to which the current limit applies." Fiscal Year 2027 (Tax Year 2026) is a reassessment year in Sumter County. Pursuant to Section 6-1-320(B) of the South Carolina Code, the City's reassessment year base millage ("rollback millage") is 100.5 mills for the purpose of determining the City's operating millage limitation for Fiscal Year 2027. Accordingly, the City Manager, with the advice of the Revenue and Fiscal Affairs Office of the State of South Carolina, has determined that the maximum permitted increase in the City's operating millage for the fiscal year ending June 30, 2027, is 19.18% (2.71% pursuant to Section 6-1-320(A)(1) and 16.47% pursuant to Section 6-1-320(A)(2)). Pursuant to Section 6-1-320(D), however, the millage limit "does not affect millage that is levied to pay bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account."

SECTION 5. In order to raise revenues and defray expenses as presented in the Fiscal Year 2027 Budget, the Council hereby ordains that an *ad valorem* property tax at the millage rate hereinafter stated to cover the period from the first day of July A.D. 2026, to the 30th day of June A.D. 2027, both inclusive, for the sums and in the manner hereinafter mentioned, is and shall be levied, collected and paid into the Treasury of Sumter County, South Carolina, for the credit to the City of Sumter, South Carolina, for the use and service thereof. The millage rate for such *ad valorem* property tax shall be 112 mills, comprising 108 mills for operational purposes (representing a 7.5% increase in comparison to the City's rollback millage of 100.5) and 4 mills (representing a 0% increase) for the payment of general obligation indebtedness of the City. Such millage rate shall be applied to the value of all real estate and personal property of every description owned and used in the City of Sumter, South Carolina, except such as is exempt from taxation under the Constitution and law of the State of South Carolina.

SECTION 6. The Council hereby finds and determines, as a fact and after appropriate investigation, as follows:

- a) The Fiscal Year 2027 Budget appropriates sufficient revenues within the Enterprise Funds to pay the principal of and interest on all bonds secured by revenues of the Enterprise Funds as and when they become due and payable in one or more bond and interest redemption funds.
- b) The Fiscal Year 2027 Budget appropriates sufficient revenues within the Enterprise Funds to provide for the payment of all expenses of administration and operation of the City's enterprise system, as well as such expenses for maintenance as may be necessary to preserve the City's enterprise system in good repair and working order. These appropriations are made to the Water and Sewer Fund into multiple accounts, organized by department and line items, that collectively serve as the "operation and maintenance fund."
- c) The City maintains within its Enterprise Funds a designated account described as the "Capital Reserve Account" that is restricted for purposes of funding depreciation and therefore serves as the "depreciation fund." As of April 30, 2026, the amount on deposit in the Capital Reserve Account was in excess of \$8.5 million. The Fiscal Year 2027 Budget appropriates an additional \$800,000 to the Capital Reserve Account. In addition, the Fiscal Year 2027 Budget appropriates through multiple line items in excess of \$1,000,000 to fund capital improvements to depreciating infrastructure. Upon advice of the Director for Public Services, and as supported by capital improvement plans prepared by the City's engineers, the Council hereby finds and declares such appropriations to be sufficient (together with the existing balance in the Capital Reserve Account) to build up a reserve for depreciation of the City's enterprise system. These amounts collectively serve as the "depreciation fund."
- d) The City maintains within its Enterprise Funds a designated account described as the "Contingency Account." As of April 30, 2026 the amount on deposit in the Contingency Account was in excess of \$3.85 million. Upon advice of Director for Public Services, and as supported by analyses of the enterprise system's current physical condition as prepared by the City's engineers, the Council hereby finds and declares such amount to be a sufficient reserve for improvements, betterments, and extensions to the City's enterprise system, other than those necessary to maintain it in good repair and working order as provided above. Therefore, the Fiscal Year 2027 Budget appropriates no additional funds to the Contingency Account.
- e) After giving effect to the transfers described above, the budgeted revenues for the enterprise system exceed the budgeted expenses for the enterprise system by an amount of not less than \$2,696,484. Accordingly, the Council hereby determines and finds, as a fact and based on the information described above, that the amount of \$2,696,484 shall be considered surplus revenues of the Enterprise System and are hereby budgeted for discretionary transfer to the General Fund.

SECTION 7. The billing dates, the penalty dates, and the amount of penalty which shall be levied for delinquent taxes shall be the same as those established by Sumter County, South Carolina, pursuant to State Law.

SECTION 8. The City Manager shall administer the budget and may authorize the following to achieve the goals of this budget.

1. *Authorize the transfer of appropriated funds within and between Departments and Funds as necessary.*
2. *Controls shall be made by Fund Appropriation.*
3. *Designate continuing projects from Fund Balances.*

SECTION 9. If for any reason any sentence, clause, or provision of this Ordinance shall be declared invalid, such shall not affect the remaining provisions hereof.

ADOPTED IN COUNCIL ASSEMBLED THIS 16TH DAY OF JUNE 2026.

CITY OF SUMTER, SOUTH CAROLINA

David P. Merchant, Mayor

James B. Blassingame, Mayor Pro Tempore

Calvin K. Hastie, Sr., Councilman

Colin C. Davis, Councilman

Gifford M. Shaw, Councilman

Anthony Gibson, Councilman

Rebecca Lynn Kennedy, Councilwoman

ATTEST:

Cecilia Newman, City Clerk

First Reading: May 21, 2026

Second/Final Reading: June 16, 2026