



Regional Economic Analysis Laboratory

FISCAL PROJECTION FOR GOVERNMENTS OF
JASPER COUNTY, CITY OF HARDEEVILLE,
TOWN OF RIDGELAND & THE JASPER
COUNTY SCHOOL DISTRICT

Robert T. Carey, Ph.D.
carey2@clemson.edu

October 15, 2020



Regional Economic Analysis Laboratory
2035 Barre Hall
Clemson University
Clemson, SC 29634

Phone: 864-656-0372
<http://cu-real.com>

The views presented here are those of the author(s) and are not necessarily those of the Regional Economic Analysis Laboratory (CU-REAL) or of Clemson University. Nothing in this report should be construed to indicate endorsement by CU-REAL or by Clemson University. CU-REAL performs economic and policy analysis for public, private, and non-profit sector clients and is a unit of the Department of Political Science, Clemson University College of Behavioral, Social and Health Sciences.

Table of Contents

Executive Summary..... v

I. Introduction..... 1

II. Methodology..... 1

III. Economic Profile..... 1

IV. Economic Projections..... 2

V. Analysis of Jasper County School District..... 4

VI. Analysis of Jasper County Government..... 8

VII. Analysis of City of Hardeeville..... 15

VIII. Analysis of Town of Ridgeland..... 18

IX. Conclusion..... 21

X. Addendum—Preliminary Adjustments for COVID-19 Impacts..... 22

This Page Intentionally Left Blank

Executive Summary

The Clemson University Regional Economic Analysis Laboratory (CU-REAL) performed a fiscal projection for county and municipal governments in Jasper County, South Carolina and for the Jasper County School District. This analysis projects general fund revenue and expenditures for the county government, the municipal governments of the City of Hardeeville and the Town of Ridgeland, and the Jasper County School District through the fiscal year ending 2025 in order to predict the fiscal position of each over the modeled time period. This study follows a 2006 study by Clemson University's Strom Thurmond Institute. While using a different methodology from the 2006 analysis, this study seeks to update the fiscal outlook due to changes in the economy that followed the earlier study and to add the school district to the analysis.

Modeling was done using the REMI PI⁺ economic modeling engine along with CU-REAL's Fiscal Impact Analysis Tool. The Laboratory updated the REMI data beyond its last historic year (i.e., the most recent year for which historical data was available to the model) to account for new and forthcoming major economic development in the county; information regarding these new developments were obtained from Southern Carolina Regional Development Alliance. The results for each model are summarized in the following. Each of the following projections assume current funding formulas (e.g., millage rates) remain constant through the projected study period.

[Note that the following projections were made prior to the COVID-19 pandemic; revised projections are presented in an addendum to the report.]

Jasper County School District

Based upon historic trends with respect to school age population in the county, enrollment in Jasper County public schools is projected to increase between the fiscal years ending 2020-2025, but by a rate less than the growth of school age population in the county. Nonetheless, this growth constitutes an increase in demand for public education, leading to an increase in real expenditures over the study period.

Funding sources, however, are not projected to keep pace with the growth in expenditures. This is largely due to a relatively slow growth in the non-residential property tax base along with the inability of the district to tax owner-occupied residential properties under South Carolina Act 388 of 2006. State funding formulas, particularly Tier I, II, and III funding, are not projected to be sufficient to make up this disparity. As a result of these factors, budget shortfalls are predicted to begin in 2022 and to persist through 2025.

Jasper County Government

Expected continued population growth in Jasper County will place demands on local government services, resulting in growing real county expenditures over the study period. Expenditures are expected to grow at a slightly faster rate than revenues, but county government in Jasper County is nonetheless projected to continue current budget surpluses until approximately 2025. The county's financial position is aided by its ability to tax primary residential as well as commercial properties, which accounts for the difference in outcome from the fiscal projection for the school district, above.

City of Hardeeville

Population in Hardeeville is projected to increase substantially over the study period, continuing its rapid growth over the previous years. Property tax revenues are projected to increase steadily over the study period, but general fund revenue sources are not expected to keep pace with the increase in expenditures resulting from demands placed on local government by the growing population, leading to continued general fund shortfalls. However, it should be noted that revenue to the city's Development Fund (not included in this analysis because it is not part of the general fund) has been more than adequate over recent years to cover these shortfalls.

Town of Ridgeland

Population growth in Ridgeland is projected to increase relatively little over the study period. This is predicted to result in relatively little growth in expenditures over the study period. Ad valorem tax revenues are projected to decline slightly due to property depreciation, but the town's ATAX and

LOST revenue is projected to offset this decrease, leading to slight increases in total revenue. Current general fund surpluses are expected to continue throughout the study period.

I. Introduction

The following is a fiscal projection for county and municipal governments in Jasper County, South Carolina and for the Jasper County School District. This analysis projects general fund revenue and expenditures for the county government, the municipal governments of the City of Hardeeville and the Town of Ridgeland, and the Jasper County School District through the fiscal year ending 2025 in order to predict the fiscal position of each over the modeled time period. This study follows a 2006 study by Clemson University’s Strom Thurmond Institute. While using a different methodology from the 2006 analysis, this study seeks to update the fiscal outlook due to changes in the economy that followed the earlier study and to add the school district to the analysis.

Following a summary of the methodology used in the analysis and an economic profile and economic projection for the county, the fiscal projections for each government will be presented in separate sections of the report. Concluding comments will follow.

II. Methodology

In order to make its fiscal projections, the Regional Economic Analysis Laboratory utilized the Regional Economic Models, Inc. (REMI) PI+ modeling engine along with our own Fiscal Impact Analysis Tool. REMI utilizes input-output (IO) modeling as well as computable general equilibrium (CGE) and econometric modeling to project a baseline of economic activity assuming *ceteris paribus* except for normal economic growth. Shocks to the economy can then be modeled in terms of departures from that baseline, including direct, indirect, and induced effects.

The REMI model is a new economic geography (NEG) model, taking into account trade flows between regions based upon availability of labor and natural resources and the efficacy of transporting goods and services to and from the region. The model can project economic impacts over multiple years, allowing for intertemporal effects, i.e., “spillover” effects from one year to the next.

The methodology of the analysis was to perform a baseline adjustment to the regional control model within REMI to introduce new economic investment and jobs currently anticipated by the county to the

non-historic years of the model. The baseline data in REMI at the time of this report was current through 2015; the baseline adjustment therefore was performed for the years 2016-2025 using information provided by SouthernCarolina Regional Development Alliance.

Data from the REMI model were used with our Fiscal Impact Analysis Tool in order to project revenue and expenditures based upon historic trends observed in the county, municipalities and school district’s comprehensive annual financial reports (CAFRs). Historic data were gathered for the fiscal years ending in 2012 through 2018, as available.

All dollar amounts in the following are stated in inflation-adjusted 2017 dollars. These projections assume no exogenous shocks, such as a national recession.

III. Economic Profile

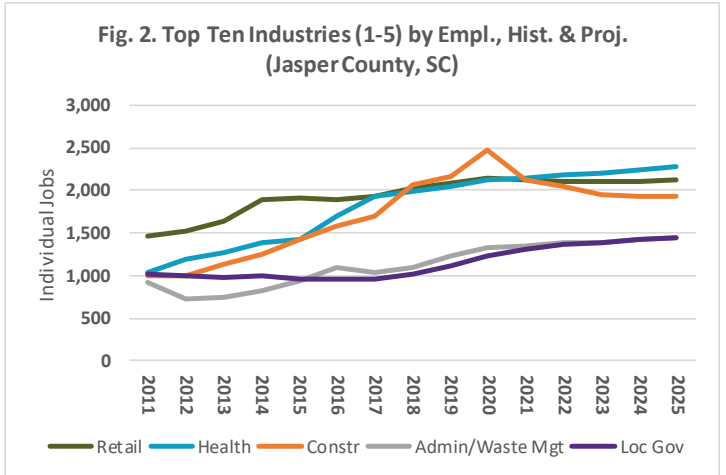
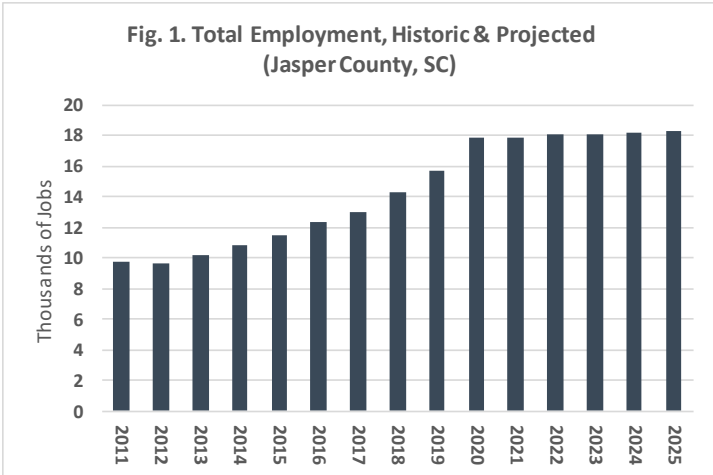
Jasper County is located in the Lowcountry of South Carolina and is part of the Hilton Head Island-Bluffton-Beaufort metropolitan statistical area (MSA). The estimated population of Jasper County was 28,971 as of July 2018.¹ This represents a 16.9 percent increase since the 2010 Census. Median household income in the county was \$39,740 in 2017, as compared to the 2017 state median of \$46,898. Median value of an owner-occupied housing unit was \$130,700; this was lower than the state

Table 1. 2017 Top Ten Employment Industries (Jasper County, SC)

Industry Sector	Number Employed
Retail Trade	1,939
Health Care & Social Assistance	1,937
Construction	1,693
Admin., Support, & Waste Mgt.	1,045
Local Government	966
Accommodation & Food Service	901
Other Services	775
Manufacturing	519
Real Estate	376
Educational Services	305

Source: U.S. Bureau of Economic Analysis

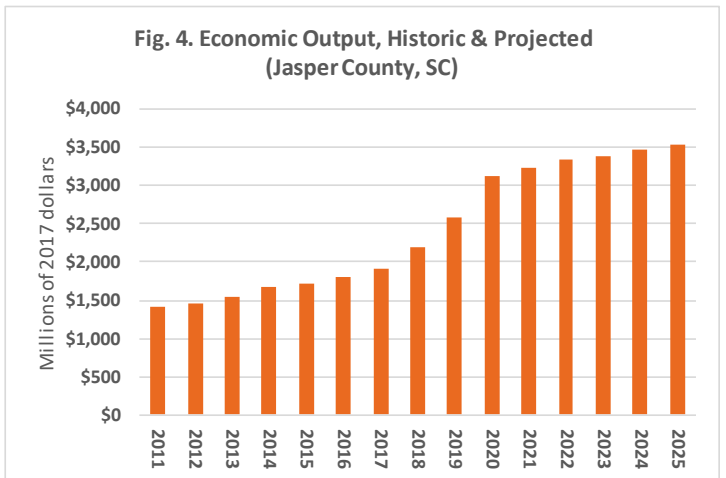
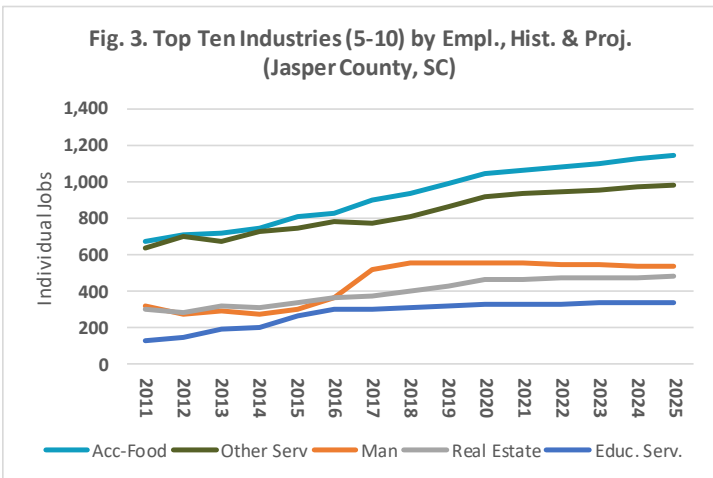
1. U.S. Census Bureau



median of \$143,600 and lower than the national median of \$184,700. 69.3 percent of housing units in the county are owner-occupied, compared to 68.4 percent statewide and 63.6 percent nationally.² The top ten industries by employment in the county are presented in Table 1. 13,070 persons were employed in Jasper County in 2017; the largest industry sector in the county with regard to employment was retail, closely followed by healthcare and social assistance.³ Output in Jasper County estimated for 2017 (total

anticipated announcement of a new large investment in the county) or negative (e.g., a national or global economic downturn).

Total employment in the county is projected to increase to nearly 18,400 by 2025. Historic and projected total employment is presented graphically in Figure 1; employment by industry for the top ten industries in the county by employment (as of 2017) are presented in figures 2 and 3.⁵



sales, or the dollar value of all goods and services produced within the county) was \$1.9 billion.⁴

IV. Economic Projections

The revised REMI regional control model used to project economic trends in Jasper County projected continued economic growth through 2025. Note that these and the following projections do not take into account exogenous factors, positive (such the unan-

Total output in the county is projected to expand between 2017-2025, largely due to new investment already in process within the county. In the outlying years, the growth rate in output is projected to flatten somewhat, again, barring the announcement of addi-

2. Ibid.
 3. U.S. Bureau of Economic Analysis
 4. Estimated by REMI
 5. Historic and projected employment in Fig. 1-3 are REMI estimates.

tional new investment in the intervening years. Historic and projected output for Jasper County is presented in Figure 4.

V. Analysis of Jasper County School District

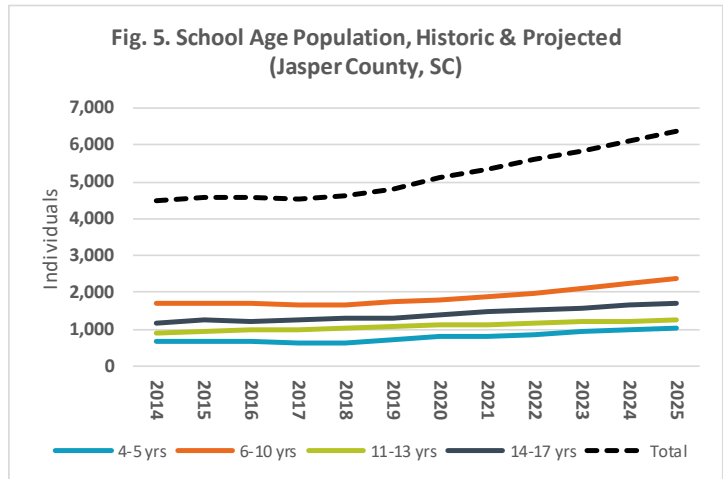
The analysis of the Jasper County School District examined historic trends in the district’s CAFRs and calibrated those showing apparent trends to parameters generated by the modified REMI regional control model. Most budget items in the school district model are calibrated to student-age population, primarily for spending items, or capital stock, primarily for selected revenue items. Some items not showing a clear trend over time were averaged over some or all historical years. In general, assumptions were made so as to build an appropriately conservative model, i.e., so as not to overstate revenue projections or to understate projected expenditures. Methods for calibrating each budget item are presented in Table 2.

A. Projections for Indicators

REMI projections for school age population and actual capital stock (physical property values) were used as the primary indicators to which revenue and expenditures were calibrated for the school district.

The REMI model predicts continued growth in population for Jasper County through 2025. This is likely partly due to spillover from growth in the Hilton Head Island-Bluffton area in neighboring Beaufort County, South Carolina. This growth has already shown a historic trend for reaching into Jasper County for the past several years in the form of both commercial and real estate development. Jasper County also holds the advantage of having the primary access to Interstate 95 for Hilton Head Island and Bluffton.

In percentage terms, between 2018-2025, the REMI model predicts the most population growth to occur in the K4-K5 age cohort, followed by primary school (age 6-10), high school (age 14-17), and the least growth in the middle school age cohort (age 11-13). These projections are shown graphically in Figure 5. These projections carry a caveat, however. Likely due to the presence of two state charter schools in Jasper County, historic enrolment within the school district has not kept pace with school-age population growth. As such, projected enrollment numbers for the district were adjusted according to the historic average ratio of enrolment to



school-age population over the school years ending 2014-2019 for each level in the model.

Capital stock was used in projecting ad valorem tax revenue for the school district. Because South Carolina Act 388 of 2006 currently restricts school districts from taxing owner-occupied primary residences for general fund revenues, this model used non-residential capital stock, which includes commercial and industrial property, to project ad valorem and fee-in-lieu tax revenue. Because this method excludes rental property, which is included in the residential capital stock projection, this serves to make the model somewhat conservative. Projections are based upon the correlation observed between ad valorem revenue in the most recent CAFR (2018) and estimated capital stock in that year; therefore no millage rate increases are assumed in the model. Historic and projected rates of change in capital stock are presented in Figure 6.

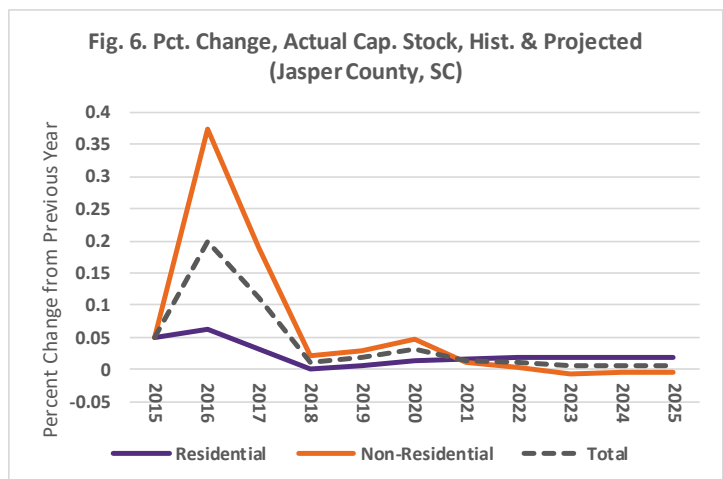


Table 2. Methodology for School District Fiscal Projections

Budget Item:		Calibrated to REMI Projection for:
Revenues		
Revenues from Local Sources		
Ad Valorem Taxes		Indexed to growth in non-residential capital stock
Revenue in Lieu of Taxes		Indexed to growth in non-residential capital stock
All other revenue from local sources		Average of 2014-2018 historic values
Revenue from State Sources		
Restricted State Funding		
Home Schooling		Average of 2014-2018 historic values
Handicapped Transportation		Average of 2014-2018 historic values
Bus Driver Salary		Average of 2016-2018 historic values
Employee Fringes (incl. retirement)		Indexed to enrollment
Other		Excluded from forecast
Education Finance Act (EFA)		
State Revenue in Lieu of Taxes:		
Tier I		Nominal value fixed at 2018 level (real value decreased by annual rate of inflation)
Tier II		Nominal value fixed at 2018 level (real value decreased by annual rate of inflation)
Tier III		Nominal value fixed at \$2.5 million (real value decreased by annual rate of inflation)
Other Rev. In Lieu of Taxes		Average of 2014-2018 historic values
Expenditures		
Instruction		
General Instruction:		
Kindergarten		Indexed to enrollment
Primary		Indexed to enrollment
Elementary (Middle)		Indexed to enrollment
High School		Indexed to enrollment
Other Programs		Indexed to enrollment
Support Services		
Other Charges (Payments to Other Govt Units)		
Debt Service		
Sale of Fixed Assets		Average of 2014-2018 historic values
Other Financing Sources (Uses)		Average of 2014-2018 historic values
Interfund Transfers		
Transfer (to) from Special Revenue		Average of 2014-2018 historic values
Transfer (to) from Pupil Activity		Average of 2014-2018 historic values
Transfer (to) from Special Revenue EIA Fund		Average of 2014-2018 historic values
Transfer (to) from Food Service Fund (Excl. Indirects)		Average of 2014-2018 historic values
Transfer (to) from Other Funds Indirect Costs		Average of 2014-2018 historic values

B. Findings

Ad valorem tax revenue is projected to increase slightly through 2022, then begin a gradual decline as real property values begin to depreciate. These projected ad valorem revenues are negatively impacted by the district’s previously noted inability to tax owner-occupied residential property under SC Act 388. While state “Tier III” funding is intended to offset this discrepancy, the formula by which the state disburses this funding, as well as Tiers I and II, associated with earlier property tax relief measures, is not projected to be adequate to compensate the district for this lost revenue.

Revenues from other state sources, which are largely correlated with projected enrollment, are projected to increase slightly overall in each year through 2025. Total real revenue as a result is projected to increase from approximately \$26.8 million in the school year ending 2019 to approximately \$29.5 million in 2025.

Real expenditures are projected to increase along with enrollment from a total of approximately \$25.5 million in 2019 to \$33 million by 2025. As such, taking interfund transfers into account (projected as the average of historical transfer levels), the school district is projected to have a positive net revenue balance through 2021, given current funding formulas, becoming negative in 2022.

Historic and projected revenues and expenditures are presented graphically in Figure 7.

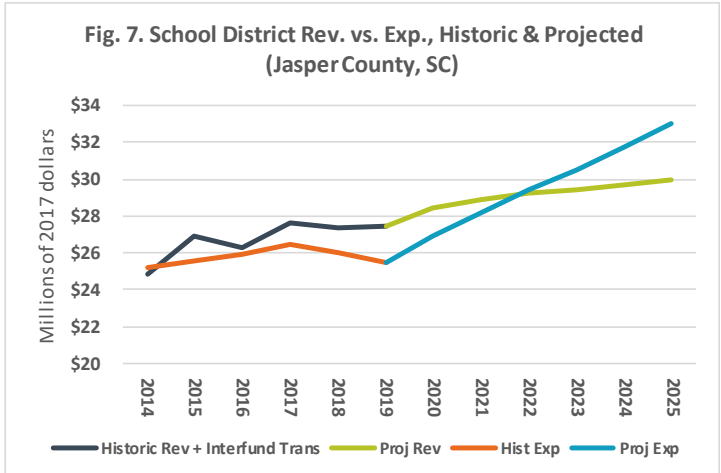


Table 3. Historic & Projected School District General Fund Revenue and Expenditures (constant 2017 dollars)

	Fiscal Year Ending:									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>Projected Values</i>										
Revenues										
Revenues from Local Sources	\$ 13,936,682	\$ 14,340,622	\$ 13,977,340	\$ 14,371,046	\$ 15,051,506	\$ 15,212,727	\$ 15,262,311	\$ 15,175,192	\$ 15,094,468	\$ 15,026,157
Ad Valorem Taxes	\$ -	\$ -	\$ 934,624	\$ 960,950	\$ 1,006,450	\$ 1,017,231	\$ 1,020,546	\$ 1,014,721	\$ 1,009,323	\$ 1,004,756
Revenue in Lieu of Taxes	\$ 488,510	\$ 496,973	\$ 280,216	\$ 423,640	\$ 423,640	\$ 423,640	\$ 423,640	\$ 423,640	\$ 423,640	\$ 423,640
All other revenue from local sources	\$ 14,425,192	\$ 14,837,595	\$ 15,192,180	\$ 15,755,635	\$ 16,481,596	\$ 16,653,598	\$ 16,706,497	\$ 16,613,553	\$ 16,527,431	\$ 16,454,553
Total Local	\$ 14,914,702	\$ 15,334,566	\$ 15,472,396	\$ 15,779,221	\$ 16,481,596	\$ 16,653,598	\$ 16,706,497	\$ 16,613,553	\$ 16,527,431	\$ 16,454,553
Revenue from State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted State Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Home Schooling	\$ 679	\$ 711	\$ 1,779	\$ 574	\$ 574	\$ 574	\$ 574	\$ 574	\$ 574	\$ 574
Handicapped Transportation	\$ 256,042	\$ 390,372	\$ 694	\$ 689	\$ 689	\$ 689	\$ 689	\$ 689	\$ 689	\$ 689
Bus Driver Salary	\$ 2,649,830	\$ 3,034,600	\$ 2,536,573	\$ 2,511,667	\$ 2,658,471	\$ 2,785,955	\$ 2,919,423	\$ 3,040,227	\$ 3,176,526	\$ 3,316,310
Employee Fringes (employer paid)	\$ 4,607,471	\$ 4,660,863	\$ 4,463,835	\$ 4,420,005	\$ 4,678,349	\$ 4,902,694	\$ 5,137,570	\$ 5,350,178	\$ 5,590,018	\$ 5,836,008
Education Finance Act (EFA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revenue in Lieu of Taxes:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier I	\$ 999,769	\$ 980,937	\$ 959,608	\$ 940,792	\$ 922,345	\$ 904,260	\$ 886,529	\$ 869,146	\$ 852,104	\$ 835,396
Tier II	\$ 306,576	\$ 300,801	\$ 294,260	\$ 288,491	\$ 282,834	\$ 277,288	\$ 271,851	\$ 266,521	\$ 261,295	\$ 256,171
Tier III	\$ 2,547,994	\$ 2,500,000	\$ 2,445,641	\$ 2,397,687	\$ 2,350,674	\$ 2,304,582	\$ 2,259,394	\$ 2,215,092	\$ 2,171,659	\$ 2,129,078
Other Rev. in Lieu of Taxes	\$ 139,811	\$ 158,815	\$ 308,481	\$ 164,598	\$ 164,598	\$ 164,598	\$ 164,598	\$ 164,598	\$ 164,598	\$ 164,598
Total State	\$ 11,508,171	\$ 12,027,099	\$ 11,394,113	\$ 11,067,721	\$ 11,401,752	\$ 11,683,858	\$ 11,983,846	\$ 12,250,253	\$ 12,560,682	\$ 12,882,042
Total Revenue	\$ 25,970,020	\$ 26,864,694	\$ 26,586,293	\$ 26,823,357	\$ 27,883,348	\$ 28,337,456	\$ 28,690,343	\$ 28,863,806	\$ 29,088,113	\$ 29,336,595
Expenditures										
Instruction										
General Instruction:										
Kindergarten	\$ 1,167,753	\$ 1,399,931	\$ 1,388,188	\$ 1,390,763	\$ 1,569,301	\$ 1,635,199	\$ 1,729,561	\$ 1,833,895	\$ 1,953,430	\$ 2,066,826
Primary	\$ 1,812,833	\$ 2,326,641	\$ 2,464,302	\$ 2,487,204	\$ 2,571,450	\$ 2,721,201	\$ 2,864,695	\$ 3,033,986	\$ 3,209,453	\$ 3,433,141
Elementary (Middle)	\$ 4,162,900	\$ 4,224,366	\$ 4,220,555	\$ 3,724,206	\$ 3,890,940	\$ 4,016,358	\$ 4,152,751	\$ 4,215,530	\$ 4,307,456	\$ 4,358,980
High School	\$ 2,614,646	\$ 2,782,849	\$ 2,588,739	\$ 2,536,666	\$ 2,700,171	\$ 2,836,829	\$ 2,970,273	\$ 3,053,232	\$ 3,154,224	\$ 3,231,668
Other Programs	\$ 2,021,164	\$ 2,190,880	\$ 2,088,553	\$ 2,088,444	\$ 2,210,511	\$ 2,316,514	\$ 2,427,492	\$ 2,527,949	\$ 2,641,273	\$ 2,757,503
Total Instruction	\$ 11,779,296	\$ 12,924,667	\$ 12,750,337	\$ 12,227,283	\$ 12,942,373	\$ 13,526,216	\$ 14,144,772	\$ 14,664,592	\$ 15,265,837	\$ 15,848,118
Total Support Services	\$ 13,079,405	\$ 12,618,227	\$ 12,321,035	\$ 12,172,898	\$ 12,884,389	\$ 13,502,406	\$ 14,149,104	\$ 14,734,636	\$ 15,395,168	\$ 16,072,634
Other Charges (Payments to Other Govt Units)	\$ 990,450	\$ 914,206	\$ 913,303	\$ 1,079,650	\$ 1,079,650	\$ 1,079,650	\$ 1,079,650	\$ 1,079,650	\$ 1,079,650	\$ 1,079,650
Debt Service	\$ 30,316	\$ 19,127	\$ 31,798	\$ 24,954	\$ 24,954	\$ 24,954	\$ 24,954	\$ 24,954	\$ 24,954	\$ 24,954
Total Expenditures	\$ 25,879,467	\$ 26,476,227	\$ 26,016,473	\$ 25,504,784	\$ 26,931,366	\$ 28,132,950	\$ 29,398,479	\$ 30,503,831	\$ 31,765,608	\$ 33,025,355
Sale of Fixed Assets	\$ -	\$ 3,500	\$ -	\$ 721	\$ 721	\$ 721	\$ 721	\$ 721	\$ 721	\$ 721
Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (83,773)	\$ (83,773)	\$ (83,773)	\$ (83,773)	\$ (83,773)	\$ (83,773)	\$ (83,773)
Interfund Transfers										
Transfer (to) from Special Revenue	\$ (337,800)	\$ (33,303)	\$ (32,125)	\$ (89,917)	\$ (89,917)	\$ (89,917)	\$ (89,917)	\$ (89,917)	\$ (89,917)	\$ (89,917)
Transfer (to) from Pupil Activity	\$ (1,945)	\$ -	\$ -	\$ (389)	\$ (389)	\$ (389)	\$ (389)	\$ (389)	\$ (389)	\$ (389)
Transfer (to) from Special Revenue EIA Fund	\$ 481,769	\$ 607,973	\$ 603,520	\$ 522,501	\$ 522,501	\$ 522,501	\$ 522,501	\$ 522,501	\$ 522,501	\$ 522,501
Transfer (to) from Food Service Fund (Excl. Indirects)	\$ (70,159)	\$ (71,798)	\$ -	\$ (48,147)	\$ (48,147)	\$ (48,147)	\$ (48,147)	\$ (48,147)	\$ (48,147)	\$ (48,147)
Transfer (to) from Other Funds Indirect Costs	\$ 281,004	\$ 286,008	\$ 221,501	\$ 286,043	\$ 286,043	\$ 286,043	\$ 286,043	\$ 286,043	\$ 286,043	\$ 286,043
Total	\$ 352,870	\$ 792,380	\$ 792,895	\$ 587,040	\$ 587,040	\$ 587,040	\$ 587,040	\$ 587,040	\$ 587,040	\$ 587,040
Net Revenue (Excl. Interfund Transfers)	\$ 90,553	\$ 388,467	\$ 569,820	\$ 1,318,572	\$ 951,982	\$ 204,506	\$ (708,136)	\$ (1,640,025)	\$ (2,677,495)	\$ (3,688,760)
Net Revenue (Incl. Interfund Transfers)	\$ 443,422	\$ 1,180,847	\$ 1,363,715	\$ 1,905,612	\$ 1,539,022	\$ 791,546	\$ (121,096)	\$ (1,052,985)	\$ (2,090,455)	\$ (3,101,720)
Ending Fund Balance	\$ 4,469,479	\$ 5,650,326	\$ 7,013,041	\$ 8,918,652	\$ 10,457,674	\$ 11,249,220	\$ 11,128,124	\$ 10,075,139	\$ 7,984,684	\$ 4,882,963

* Nominal values for Tier I, II & III assumed constant; real (inflation-adjusted) values decreased at assumed 2% rate of inflation in forecast years.

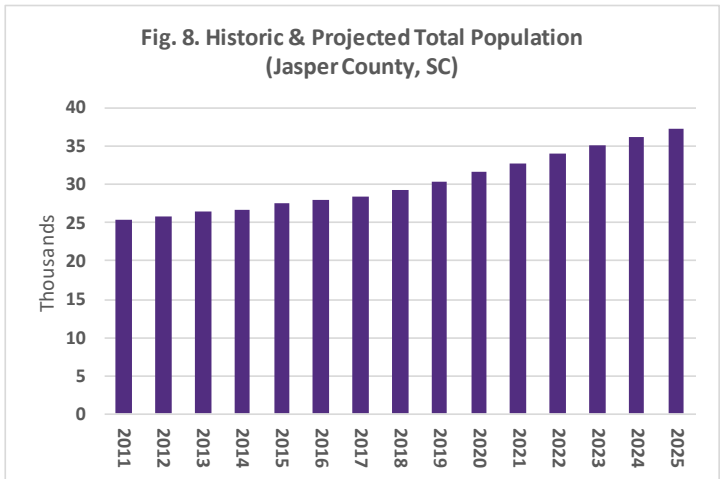
VI. Analysis of Jasper County Government

A. Projections for Indicators

The analysis of Jasper County government’s future revenue and expenditure streams utilized CAFRs published by the county between the fiscal years ending 2012-2018. These historic revenue and expenditure data were calibrated to parameters generated by the REMI model. Because of the difference in the types of spending items and revenue sources between county government and school districts, different indicators were used in the county model than used in the school district model. Table 4 presents the parameter to which each budget item is calibrated.

The most common parameter used in the analysis, particularly for spending items, was total population, as a great many of local government service costs are determined by the size of the population served; historic and projected population numbers for the county are presented in Figure 8.

Tax revenue, consisting largely of ad valorem tax, was calibrated to both residential and non-residential actual capital stock (i.e., property values); note that county government is not restricted from taxing owner-occupied housing units as is the school district. While Act 388 does limit increases in assessed values per reassessment cycle, the projected changes in capital stock in this model are not great enough to trigger that limitation. For the sake of conservatism, and because it is relatively small and did not show a clear trend, the “miscellaneous” revenue item was excluded from the analysis.



As with school district projections, some revenue and expenditure items not showing a clear trend or that were relatively flat over the observed historic period were projected by averaging historic values. One example is the revenue item “fines, fees and licenses”, which includes items that could be potentially correlated with different indicators, but combined provide no clear trend.

B. Findings

Projections for county revenue and expenditures are presented in Figure 9. Current budget surpluses are predicted to continue through 2025, although the gap between revenue and expenditures is projected to narrow, approaching a balanced budget or possibly a slight deficit (given a reasonable margin of error) in 2025.

While growth in county population will increase demand on local government services and thereby cost of operation for county government, intergovernmental revenue is projected to grow with population. Because county government is not bound by the restriction on taxing owner-occupied property as is the school district, the growth in residential property values is predicted to slightly offset the projected depreciation in real non-residential property values in the outlying years, thus increasing property tax revenue. As a result, revenue sources are projected to exceed expenditures through the study period. Detailed findings are reported in Table 5. Net revenue (total revenue minus total expenditures) is presented both with and without debt service included in the expenditure

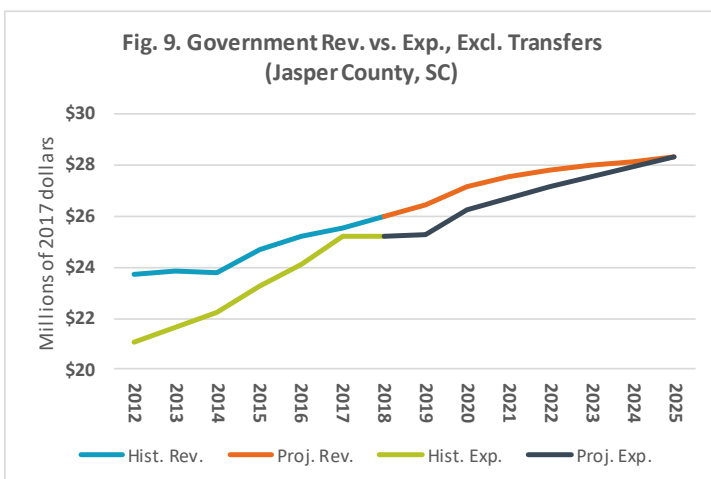


Table 4. Methodology for Fiscal Projections

Budget Item:	Calibrated to REMI Projection for:
Revenues	
Taxes	Residential + non-residential capital stock
Fines, Fees and Licenses	Average of 2012-2018 historic values
Intergovernmental	Population
Miscellaneous	Excluded from forecast
Expenditures	
Current:	
County Council	Average of 2012-2018 historic values
County Attorney	Average of 2012-2018 historic values
Administrator	Average of 2015-2018 historic values
Administrative Services	
Tax Collector	Average of 2012-2018 historic values
Assessor	Population
Finance Dept.	Local government employment
Register of Deeds	Population
KAB	Excluded from forecast
Human Resources	Local government employment
Development Services	
Economic Development Dept.	Average of 2016-2018 historic values
Business Licenses	Output
Planning Commission	Output
Recreation Dept.	Population
Sgt. Jasper Park	Population
Building Permits	Average of 2012-2018 historic values
Emergency Services	
Emergency Telecom.	Average of 2012-2018 historic values
Levy Fire Contract	Average of 2015-2018 historic values
Fire & Rescue	Population
Emergency Services Dept.	Average of 2016-2018 historic values
Detention Center	Special Population
Cherry Point Fire Station	Average of 2017-2018 historic values
Information Technology	Local government employment
Engineering Services	Average of 2016-2018 historic values
Treasurer	Population
Auditor	Population

Table 4 (cont'd). Methodology for Fiscal Projections

Budget Item:	Calibrated to REMI Projection for:
Probate Judge	Average of 2012-2018 historic values
Clerk of Court	Average of 2017-2018 historic values
Sheriff Dept.	
Sheriff	Population
Victims Witness Program	Average of 2012-2018 historic values
Sheriff Child Support	Excluded from forecast
Magistrate	Average of 2015-2018 historic values
Veterans Affairs	Average of 2015-2018 historic values
Election Commission	Average of 2015-2018 historic values (alternate years)
Coroner	Population
Interdepartmental	Average of 2017-2018 historic values
Health, Education & Welfare	Average of 2016-2018 historic values
Debt Service:	
Principal	Average of 2012-2018 historic values
Interest	Average of 2012-2018 historic values
Capital Outlay	Population
Other Financing Sources (Uses)	
Transfers In	Average of 2012-2018 historic values
Transfers Out	Average of 2012-2018 historic values

total.

It should be noted that there are no millage or other tax rate increases assumed in the model; however, it is assumed that the county will be able to capture projected increases in property value in the year in which they occur. While property value reassessment does not occur in every year, most of the capital stock appreciation in the REMI model is based upon projected improvements, e.g., construction of new homes or commercial or manufacturing facilities.

C. Public Safety Staffing Needs Projections

Projections for staffing needs for county fire & rescue and sheriff’s departments were estimated using historic staffing numbers presented in the county’s CAFRs and correlated to historic and projected county population. Historically, between the years 2009-2018, an average of slightly more than 1.6 individuals per 1,000 population were on staff in county Fire & Rescue and slightly more than 1.5 individuals per 1,000 population in the Sheriff’s Department. Therefore, given projected population growth in the coun-

ty, the total staff for Fire & Rescue in Jasper County will need to be increased from the 2018 level of 43 to 60 by 2025. The staff in the county’s Sheriff’s Department will need to be increased from the 2018 level of 40 to 56 by 2025. Estimates of staffing needs for these departments in each year are presented along with the last historic year (2018) in Table 6. The cost of these additional personnel is included in the preceding expenditure projections.

By way of comparison, the 2006 STI analysis recommended an increase in county law enforcement staffing of 117 and in fire and rescue of 119 by 2026. Based upon the increase in population expected at the time of the 2006 analysis, which was much greater than that projected in this report, the county is currently even with to slightly ahead of the 2006 staffing recommendations.

D. “Break-Even” Home Value

A separate model was run estimating the cost to county government of additional households locating to the area in order to estimate the “break-even”

home value, or the assessed value of a home necessary to generate sufficient property tax revenue to cover the cost of providing services to the additional residents. The median household size of 2.58, as per 2017 Census estimates, was assumed.

The annual cost to the county of each additional household is estimated to be approximately \$862; if a new home is constructed, the cost to the county in the year of construction is approximately \$908. The “break-even” home value (for a primary residence) is therefore estimated to be between \$140,000 (existing home) and \$147,500 (new construction).

Table 5. Historic & Projected Revenue and Expenditures, Jasper County Government

	Projected Values									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Revenues										
Taxes	\$ 20,525,184	\$ 20,655,517	\$ 21,023,679	\$ 21,696,956	\$ 21,985,285	\$ 22,206,170	\$ 22,321,992	\$ 22,442,337	\$ 22,567,164	
Fines, Fees and Licenses	\$ 3,153,242	\$ 3,456,912	\$ 3,880,256	\$ 3,880,256	\$ 3,880,256	\$ 3,880,256	\$ 3,880,256	\$ 3,880,256	\$ 3,880,256	
Intergovernmental	\$ 1,475,717	\$ 1,427,186	\$ 1,528,796	\$ 1,595,886	\$ 1,656,165	\$ 1,714,570	\$ 1,768,774	\$ 1,825,214	\$ 1,883,081	
Miscellaneous	\$ 375,934	\$ 413,172								
Total Revenues	\$ 25,530,077	\$ 25,952,787	\$ 26,432,731	\$ 27,173,099	\$ 27,521,707	\$ 27,800,996	\$ 27,971,022	\$ 28,147,807	\$ 28,330,501	
Expenditures										
County Council	\$ 250,218	\$ 241,045	\$ 249,283	\$ 241,045	\$ 241,045	\$ 241,045	\$ 241,045	\$ 241,045	\$ 241,045	
County Attorney	\$ 118,961	\$ 125,592	\$ 152,954	\$ 125,592	\$ 125,592	\$ 125,592	\$ 125,592	\$ 125,592	\$ 125,592	
Administrator	\$ 510,047	\$ 525,872	\$ 501,294	\$ 525,872	\$ 525,872	\$ 525,872	\$ 525,872	\$ 525,872	\$ 525,872	
Administrative Services										
Tax Collector	\$ 203,284	\$ 202,429	\$ 196,300	\$ 202,429	\$ 202,429	\$ 202,429	\$ 202,429	\$ 202,429	\$ 202,429	
Assessor	\$ 478,699	\$ 448,769	\$ 513,278	\$ 535,802	\$ 556,041	\$ 575,649	\$ 593,848	\$ 612,797	\$ 632,225	
Finance Dept.	\$ 184,351	\$ 181,364	\$ 205,630	\$ 228,812	\$ 242,565	\$ 251,823	\$ 257,776	\$ 262,676	\$ 266,803	
Register of Deeds	\$ 141,411	\$ 144,092	\$ 158,000	\$ 164,934	\$ 171,163	\$ 177,199	\$ 182,801	\$ 188,634	\$ 194,615	
KAB	\$ -	\$ 82								
Human Resources	\$ 188,082	\$ 194,675	\$ 211,080	\$ 234,876	\$ 248,994	\$ 258,498	\$ 264,608	\$ 269,638	\$ 273,874	
Total Administrative Services	\$ 1,195,827	\$ 1,171,411	\$ 1,284,288	\$ 1,366,852	\$ 1,421,192	\$ 1,465,598	\$ 1,501,462	\$ 1,536,174	\$ 1,569,946	
Development Services										
Economic Development Dept.	\$ 111,777	\$ 144,124	\$ 123,410	\$ 123,410	\$ 123,410	\$ 123,410	\$ 123,410	\$ 123,410	\$ 123,410	
Business Licenses	\$ 66,426	\$ 67,246	\$ 99,739	\$ 121,056	\$ 125,298	\$ 129,530	\$ 131,388	\$ 134,073	\$ 136,728	
Planning Commission	\$ 162,100	\$ 225,918	\$ 259,643	\$ 315,136	\$ 326,180	\$ 337,198	\$ 342,033	\$ 349,024	\$ 355,935	
Recreation Dept.	\$ 332,177	\$ 338,330	\$ 347,525	\$ 362,775	\$ 376,478	\$ 389,754	\$ 402,076	\$ 414,906	\$ 428,060	
Sgt. Jasper Park	\$ 215,081	\$ 185,005	\$ 218,218	\$ 227,795	\$ 236,399	\$ 244,736	\$ 252,473	\$ 260,529	\$ 268,789	
Building Permits	\$ 140,334	\$ 133,005	\$ 133,324	\$ 133,324	\$ 133,324	\$ 133,324	\$ 133,324	\$ 133,324	\$ 133,324	
Total Dev. Serv.	\$ 1,027,895	\$ 1,093,627	\$ 1,181,859	\$ 1,283,496	\$ 1,321,089	\$ 1,357,952	\$ 1,384,703	\$ 1,415,266	\$ 1,446,246	
Emergency Services										
Emergency Telecom.	\$ 1,025,241	\$ 1,040,628	\$ 967,657	\$ 967,657	\$ 967,657	\$ 967,657	\$ 967,657	\$ 967,657	\$ 967,657	
Levy Fire Contract	\$ 268,607	\$ 246,277	\$ 249,889	\$ 249,889	\$ 249,889	\$ 249,889	\$ 249,889	\$ 249,889	\$ 249,889	
Fire & Rescue	\$ 3,558,562	\$ 3,625,759	\$ 3,696,126	\$ 3,858,327	\$ 4,004,063	\$ 4,145,265	\$ 4,276,313	\$ 4,412,765	\$ 4,552,670	
Information Technology										
Emergency Services Dept.	\$ 1,263,995	\$ 1,254,265	\$ 1,257,452	\$ 1,258,571	\$ 1,256,763	\$ 1,257,595	\$ 1,257,643	\$ 1,257,334	\$ 1,257,524	
Detention Center	\$ 3,111,075	\$ 3,110,915	\$ 3,091,463	\$ 3,091,463	\$ 3,091,463	\$ 3,091,463	\$ 3,091,463	\$ 3,091,463	\$ 3,091,463	
Cherry Point Fire Station	\$ 208,070	\$ 188,994	\$ 198,532	\$ 193,763	\$ 196,148	\$ 194,955	\$ 195,552	\$ 195,253	\$ 195,402	
Total Emergency Serv.	\$ 9,435,550	\$ 9,466,839	\$ 9,461,119	\$ 9,619,671	\$ 9,765,983	\$ 9,906,825	\$ 10,038,517	\$ 10,174,362	\$ 10,314,606	

Table 5 (cont d). Historic & Projected Revenue and Expenditures, Jasper County Government

	Projected Values									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Information Technology	\$ 740,966	\$ 544,137	\$ 745,552	\$ 829,600	\$ 879,467	\$ 913,033	\$ 934,616	\$ 952,382	\$ 967,344	
Total Engineering Serv.	\$ 2,056,344	\$ 1,982,832	\$ 2,054,328	\$ 2,054,328	\$ 2,054,328	\$ 2,054,328	\$ 2,054,328	\$ 2,054,328	\$ 2,054,328	
Treasurer	\$ 184,739	\$ 189,742	\$ 197,652	\$ 206,326	\$ 214,119	\$ 221,670	\$ 228,678	\$ 235,975	\$ 243,456	
Auditor	\$ 202,737	\$ 195,929	\$ 214,413	\$ 223,823	\$ 232,277	\$ 240,468	\$ 248,070	\$ 255,986	\$ 264,102	
Probate Judge	\$ 153,235	\$ 155,929	\$ 155,929	\$ 155,929	\$ 155,929	\$ 155,929	\$ 155,929	\$ 155,929	\$ 155,929	
Clerk of Court	\$ 478,907	\$ 443,085	\$ 460,996	\$ 460,996	\$ 460,996	\$ 460,996	\$ 460,996	\$ 460,996	\$ 460,996	
Sheriff Dept.										
Sheriff	\$ 3,128,604	\$ 3,735,099	\$ 3,596,173	\$ 3,753,988	\$ 3,895,783	\$ 4,033,167	\$ 4,160,671	\$ 4,293,433	\$ 4,429,555	
Victims Witness Program	\$ 57,828	\$ 57,990	\$ 64,443	\$ 64,443	\$ 64,443	\$ 64,443	\$ 64,443	\$ 64,443	\$ 64,443	
Sheriff Child Support	\$ -	\$ 1,009								
Total Sheriff Dept.	\$ 3,186,432	\$ 3,794,098	\$ 3,660,616	\$ 3,818,431	\$ 3,960,226	\$ 4,097,609	\$ 4,225,114	\$ 4,357,876	\$ 4,493,997	
Magistrate	\$ 665,561	\$ 665,433	\$ 664,067	\$ 664,067	\$ 664,067	\$ 664,067	\$ 664,067	\$ 664,067	\$ 664,067	
Veterans Affairs	\$ 84,937	\$ 104,006	\$ 104,386	\$ 104,386	\$ 104,386	\$ 104,386	\$ 104,386	\$ 104,386	\$ 104,386	
Election Commission	\$ 202,112	\$ 227,124	\$ 196,230	\$ 236,360	\$ 196,230	\$ 236,360	\$ 196,230	\$ 236,360	\$ 196,230	
Coroner	\$ 253,668	\$ 205,986	\$ 240,164	\$ 250,704	\$ 260,173	\$ 269,348	\$ 277,863	\$ 286,730	\$ 295,820	
Total Interdepartmental	\$ 1,832,864	\$ 1,255,129	\$ 1,543,997	\$ 1,543,997	\$ 1,543,997	\$ 1,543,997	\$ 1,543,997	\$ 1,543,997	\$ 1,543,997	
Total Health, Education & Welfare	\$ 1,322,785	\$ 1,405,814	\$ 1,376,233	\$ 1,376,233	\$ 1,376,233	\$ 1,376,233	\$ 1,376,233	\$ 1,376,233	\$ 1,376,233	
Debt Service										
Principal	\$ 527,909	\$ 585,945	\$ 281,791	\$ 585,945	\$ 585,945	\$ 585,945	\$ 585,945	\$ 585,945	\$ 585,945	
Interest	\$ 68,739	\$ 38,535	\$ 35,531	\$ 38,535	\$ 38,535	\$ 38,535	\$ 38,535	\$ 38,535	\$ 38,535	
Total Debt Serv.	\$ 596,648	\$ 624,481	\$ 317,321	\$ 624,481	\$ 624,481	\$ 624,481	\$ 624,481	\$ 624,481	\$ 624,481	
Capital Outlay	\$ 699,960	\$ 763,704	\$ 522,834	\$ 545,778	\$ 566,393	\$ 586,367	\$ 604,904	\$ 624,206	\$ 643,996	
Total Expenditures	\$ 25,200,393	\$ 25,181,815	\$ 25,285,515	\$ 26,257,966	\$ 26,694,073	\$ 27,172,156	\$ 27,517,081	\$ 27,957,240	\$ 28,312,668	
Net Revenues	\$ 329,684	\$ 770,972	\$ 1,147,216	\$ 915,133	\$ 827,634	\$ 628,840	\$ 453,941	\$ 195,568	\$ 17,833	
Other Financing Sources (Uses)										
Transfers In	\$ 387,000	\$ 298,368	\$ 324,699	\$ 324,699	\$ 324,699	\$ 324,699	\$ 324,699	\$ 324,699	\$ 324,699	
Transfers Out	\$ (62,517)	\$ (102,459)	\$ (88,410)	\$ (88,410)	\$ (88,410)	\$ (88,410)	\$ (88,410)	\$ (88,410)	\$ (88,410)	
Total Other	\$ 324,483	\$ 195,910	\$ 236,288	\$ 236,288	\$ 236,288	\$ 236,288	\$ 236,288	\$ 236,288	\$ 236,288	
Net Change in Fund Balances	\$ 654,167	\$ 970,472	\$ 1,383,505	\$ 1,151,421	\$ 1,063,922	\$ 865,128	\$ 690,230	\$ 431,856	\$ 254,121	
Ending Fund Balance	\$ 12,624,826	\$ 13,320,788	\$ 14,704,293	\$ 15,855,714	\$ 16,919,636	\$ 17,784,765	\$ 18,474,994	\$ 18,906,850	\$ 19,160,972	

Table 6. Historic Staffing & Projected Needs, Jasper County Fire & Rescue and Sheriff Department

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire & Rescue	42	39	38	43	47	47	47	42	42	43	49	51	53	55	57	58	60
Sheriff	38	39	39	42	42	42	41	40	40	40	46	48	50	51	53	55	56

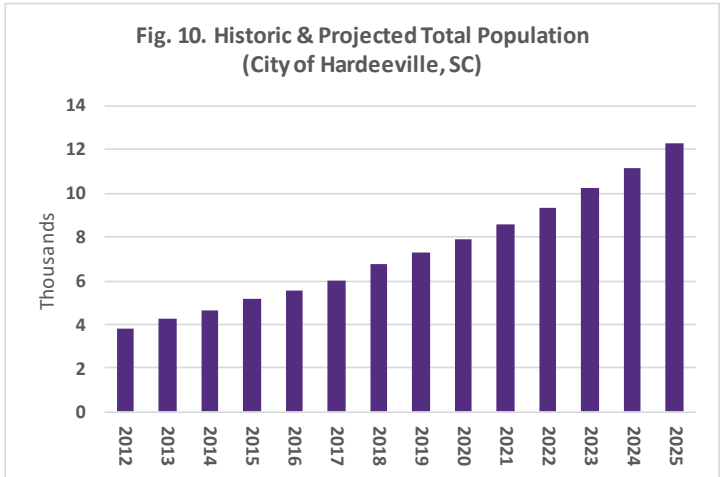
Projected Values

VII. Analysis of City of Hardeeville

Population in the City of Hardeeville grew by 109 percent between 2010 and 2018, according to Census estimates. This model projects that the city’s population will increase by an additional 83 percent over 2018 levels by 2025. Historic and projected population numbers are presented in Figure 10.

Due largely to increases in property values (capital stock) associated with economic development that is currently planned or underway within the city’s boundaries, revenue from taxes is projected to increase steadily in each year through 2025, albeit not at a rapid rate. Fines, fees, and license revenue showed a slight upward trend, but it did not show a clear correlation with any of the indicators, so, in order to take the recent growth in this category into account while maintaining an appropriately conservative forecast, revenue in this category was assumed fixed at the 2018 level. Overall, total revenues are projected to increase slightly over the study period.

Expenditures, which are largely driven by increases in population, are projected to increase at a faster rate than revenues. The expected increase in expenditures is seen primarily in the general government and public safety (police and fire) categories. As a result, given the city’s current funding formula, the budget shortfalls experienced by the city since FY 2017 are projected to continue through 2025. The gap between expenditures and revenue is projected to expand in each year. These projections are shown along with historic revenue and expenditures in Figure 11. Model calibrations and detailed findings are presented in tables 7 and 8. However, it should be noted that reve-



nue added to the city’s Development Fund, funded by fees collected through developer agreements, has been sufficient to offset the budget shortfalls in both 2017 and 2018; as this fund is not part of the general fund, it is not counted in this analysis.

Break-even home value for Hardeeville was calculated using the fiscal model by estimating the impact that a new household has on city finances. A new household locating to Hardeeville is estimated to cost the city between approximately \$1,980 (for existing home) and \$2,640 (for new construction). Note that this amount is much higher than that estimated for the county; this is due to the additional services typically delivered to homeowners by municipal governments. Given these costs, the estimated break-even value of a home in Hardeeville is between \$424,500 (existing home) and \$564,000 (new construction).

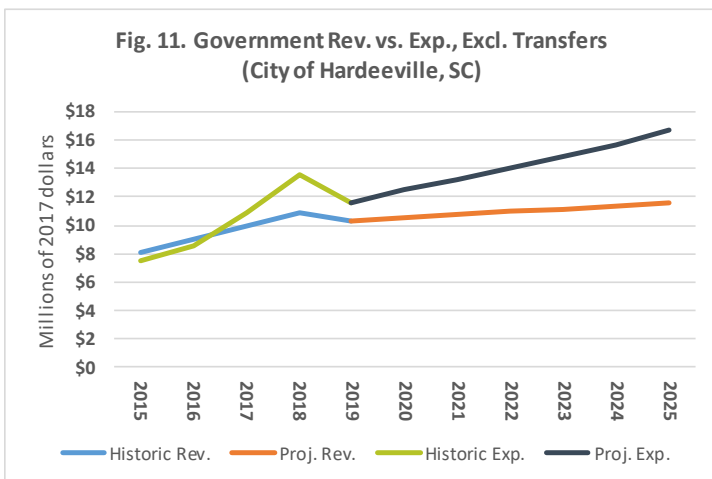


Table 7. Methodology for Fiscal Projections (Hardeeville)

Budget Item:	Calibrated to REMI Projection for:
Revenues	
Taxes	Residential + non-residential capital stock
Fines, Fees and Licenses	Fixed at 2018 value
Intergovernmental	Population
Miscellaneous	Average of 2015-2018 historic values
Expenditures	
General Government	Population
Council	Average of 2017-2018 historic values
Finance	Local government employment
Public Information	Average of 2015-2018 historic values
Courts	Average of 2015-2018 historic values
Fire Department	Population
Police Department	Population
Public Works	Population
Recreation	Population
Planning/Dev. Services	Output
Downtown Development	Average of 2015-2018 historic values
IT	Local government employment
Facilities Maintenance	Average of 2015-2018 historic values
Grants	Average of 2015-2018 historic values
Debt Service	Fixed at 2018 value
Capital Outlay	Average of 2015-2018 historic values

Table 8. Historic & Projected Revenue and Expenditures, City of Hardeeville

	Fiscal Year Ending:									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Revenues										
Taxes	\$ 4,879,864	\$ 5,243,525	\$ 5,245,464	\$ 5,379,365	\$ 5,466,200	\$ 5,565,085	\$ 5,644,675	\$ 5,716,665	\$ 5,771,992	
Fines, Fees and Licenses	\$ 2,871,147	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	\$ 3,473,676	
Intergovernmental	\$ 1,973,375	\$ 1,773,690	\$ 1,175,450	\$ 1,276,458	\$ 1,387,681	\$ 1,511,443	\$ 1,647,999	\$ 1,798,909	\$ 1,983,096	
Miscellaneous	\$ 240,504	\$ 435,454	\$ 396,701	\$ 396,701	\$ 396,701	\$ 396,701	\$ 396,701	\$ 396,701	\$ 396,701	
Total Revenues	\$ 9,964,890	\$ 10,926,346	\$ 10,291,291	\$ 10,525,900	\$ 10,724,257	\$ 10,946,904	\$ 11,163,051	\$ 11,385,951	\$ 11,625,466	
Expenditures										
General Government	\$ 899,555	\$ 560,773	\$ 606,798	\$ 658,786	\$ 716,357	\$ 780,246	\$ 850,740	\$ 928,644	\$ 1,023,726	
Council	\$ 131,317	\$ 147,008	\$ 139,163	\$ 143,086	\$ 141,124	\$ 142,105	\$ 141,615	\$ 141,860	\$ 141,737	
Finance	\$ 323,154	\$ 270,295	\$ 346,330	\$ 419,171	\$ 467,680	\$ 504,784	\$ 534,333	\$ 560,505	\$ 588,955	
Public Information	\$ 232,688	\$ 208,774	\$ 209,673	\$ 209,673	\$ 209,673	\$ 209,673	\$ 209,673	\$ 209,673	\$ 209,673	
Courts	\$ 180,586	\$ 231,621	\$ 204,306	\$ 204,306	\$ 204,306	\$ 204,306	\$ 204,306	\$ 204,306	\$ 204,306	
Fire Department	\$ 2,626,332	\$ 2,512,156	\$ 2,718,341	\$ 2,951,237	\$ 3,209,146	\$ 3,495,357	\$ 3,811,157	\$ 4,160,152	\$ 4,586,102	
Police Department	\$ 1,925,106	\$ 1,923,218	\$ 2,081,066	\$ 2,259,363	\$ 2,456,808	\$ 2,675,921	\$ 2,917,686	\$ 3,184,864	\$ 3,510,957	
Public Works	\$ 770,381	\$ 759,681	\$ 822,031	\$ 892,460	\$ 970,451	\$ 1,057,002	\$ 1,152,501	\$ 1,258,037	\$ 1,386,845	
Recreation	\$ 256,990	\$ 208,508	\$ 225,621	\$ 244,951	\$ 266,357	\$ 290,113	\$ 316,324	\$ 345,290	\$ 380,644	
Planning/Development Services	\$ 884,830	\$ 664,298	\$ 800,579	\$ 1,004,161	\$ 1,038,584	\$ 1,069,248	\$ 1,072,417	\$ 1,081,652	\$ 1,090,904	
Downtown Development	\$ 87,684	\$ 155,635	\$ 125,068	\$ 125,068	\$ 125,068	\$ 125,068	\$ 125,068	\$ 125,068	\$ 125,068	
Information Technology	\$ -	\$ 198,299	\$ 254,082	\$ 307,521	\$ 343,109	\$ 370,330	\$ 392,008	\$ 411,209	\$ 432,081	
Facilities Maintenance	\$ -	\$ 389,373	\$ 97,343	\$ 97,343	\$ 97,343	\$ 97,343	\$ 97,343	\$ 97,343	\$ 97,343	
Grants	\$ 92,169	\$ 616,209	\$ 177,094	\$ 177,094	\$ 177,094	\$ 177,094	\$ 177,094	\$ 177,094	\$ 177,094	
Total General Government Expenditures	\$ 8,410,792	\$ 8,845,847	\$ 8,807,496	\$ 9,694,221	\$ 10,423,101	\$ 11,198,590	\$ 12,002,265	\$ 12,885,699	\$ 13,955,436	
Debt Service	\$ 334,480	\$ 981,134	\$ 981,134	\$ 981,134	\$ 981,134	\$ 981,134	\$ 981,134	\$ 981,134	\$ 981,134	
Capital Outlay	\$ 2,086,243	\$ 3,762,582	\$ 1,824,884	\$ 1,824,884	\$ 1,824,884	\$ 1,824,884	\$ 1,824,884	\$ 1,824,884	\$ 1,824,884	
Total Expenditures	\$ 10,831,515	\$ 13,589,563	\$ 11,613,514	\$ 12,500,238	\$ 13,229,119	\$ 14,004,608	\$ 14,808,283	\$ 15,691,717	\$ 16,761,454	
Net Revenue	\$ (866,625)	\$ (2,663,218)	\$ (1,322,223)	\$ (1,974,339)	\$ (2,504,861)	\$ (3,057,704)	\$ (3,645,232)	\$ (4,305,765)	\$ (5,135,988)	

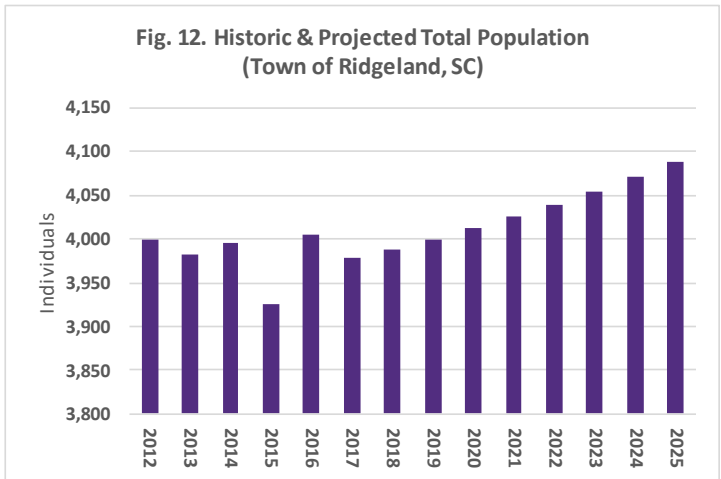
VIII. Analysis of Town of Ridgeland

Population growth in the Town of Ridgeland was fairly flat between the 2010 and 2018, decreasing only slightly, according to Census estimates. Population growth is projected to remain relatively flat, growing by around 100 residents by 2025. Historic and projected population estimates are presented in Figure 12.

Because projected population drives much of the model’s expenditure projections, expenditures are expected to increase only slightly over 2018 levels by 2025.

Likewise, because population growth contributes to the demand for housing, the low population growth is projected to lead to a gradual depreciation in real property values (capital stock) in future years; this is partly but not wholly offset by a slight appreciation in non-residential capital stock, associated with new industrial development already scheduled to occur within the town’s boundaries. This overall decrease in real capital stock is projected to lead to decreasing revenues from ad valorem taxes. However, this decrease is offset by strength in the town’s accommodations tax (ATAX) and local option sales tax (LOST). As a result, total revenue is projected to increase slightly year-over-year through 2025. As a result, net revenues are projected to continue to be positive for the town through 2025, given current funding formulas. This is represented graphically in Figure 13.

Calibrations and detailed findings are presented in tables 9 and 10.



Break-even home value for Ridgeland was calculated using the fiscal model by estimating the impact that a new household has on town finances. A new household locating to Ridgeland is estimated to cost the town between approximately \$1,990 (for existing home) and \$2,210 (for new construction). Note that this amount is much higher than that estimated for the county; this is due to the additional services typically delivered to homeowners by municipal governments. Given these costs, the estimated break-even value of a home in Ridgeland is between \$370,000 (existing home) and \$411,000 (new construction).

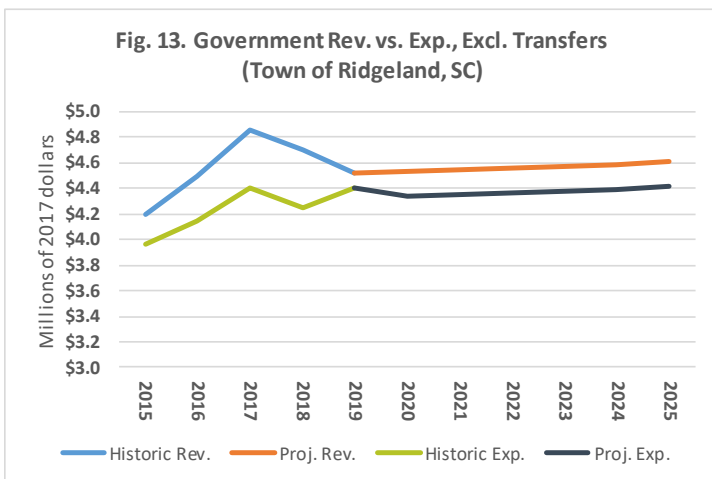


Table 9. Methodology for Fiscal Projections (Ridgeland)

Budget Item:	Calibrated to REMI Projection for:
Revenues	
Property Taxes (Total, incl. penalties)	Residential + non-residential capital stock
ATAX (Total)	Output, accommodations & food services
Fees & Fines	
Municipal Court	Average of 2013-2018 historic values
Planning/Zoning Fees	Average of 2013-2018 historic values
Victims Assistance Fees	Population
Intergovernmental (Total)	Average of 2013-2018 historic values
LOST	Output
Business Licenses	Output
Investment Earnings	Excluded from forecast
Misc.	Average of 2013-2018 historic values
Grant	Excluded from forecast
Other Financing Sources (Uses)	Average of 2013-2018 historic values
Expenditures	
Town Operations	Population
Town Council	Average of 2013-2018 historic values
General Services	Population
Police Department	Population
Fire Department	Population
Building/Fire Safety	Population
Judicial	Average of 2013-2018 historic values
Planning/Zoning	Average of 2013-2018 historic values
Tourism (less capital outlay)	Output, accommodations & food services
Capital Outlay	Average of 2013-2018 historic values

Table 10. Historic & Projected Revenue and Expenditures, Town of Ridgeland

	Fiscal Year Ending:									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Revenues										
Property Taxes (Total, incl. penalties)	\$ 580,558	\$ 565,536	\$ 575,791	\$ 565,536	\$ 559,178	\$ 555,949	\$ 554,748	\$ 554,644	\$ 554,908	
ATAX (Total)	\$ 424,235	\$ 469,421	\$ 466,641	\$ 469,421	\$ 470,150	\$ 472,148	\$ 475,666	\$ 481,044	\$ 487,818	
Fees & Fines										
Municipal Court	\$ 465,231	\$ 346,173	\$ 486,120	\$ 486,120	\$ 486,120	\$ 486,120	\$ 486,120	\$ 486,120	\$ 486,120	
Planning/Zoning Fees	\$ 52,209	\$ 135,992	\$ 44,168	\$ 44,168	\$ 44,168	\$ 44,168	\$ 44,168	\$ 44,168	\$ 44,168	
Victims Assistance Fees	\$ 44,562	\$ 45,610	\$ 51,743	\$ 51,902	\$ 52,072	\$ 52,255	\$ 52,452	\$ 52,664	\$ 52,892	
Total Fees & Fines	\$ 562,002	\$ 527,775	\$ 582,031	\$ 582,189	\$ 582,359	\$ 582,542	\$ 582,739	\$ 582,951	\$ 583,179	
Intergovernmental (Total)	\$ 306,610	\$ 304,204	\$ 233,340	\$ 233,340	\$ 233,340	\$ 233,340	\$ 233,340	\$ 233,340	\$ 233,340	
LOST	\$ 924,723	\$ 933,494	\$ 925,120	\$ 933,494	\$ 940,618	\$ 946,963	\$ 952,608	\$ 959,104	\$ 965,960	
Business Licenses	\$ 934,967	\$ 971,901	\$ 963,182	\$ 971,901	\$ 979,317	\$ 985,923	\$ 991,801	\$ 998,564	\$ 1,005,702	
Investment Earnings	\$ 248	\$ 6,255								
Misc.	\$ 322,836	\$ 63,315	\$ 229,748	\$ 229,748	\$ 229,748	\$ 229,748	\$ 229,748	\$ 229,748	\$ 229,748	
Grant	\$ 5,000	\$ 62,395								
Subtotal Revenues	\$ 4,061,179	\$ 3,904,296	\$ 3,975,852	\$ 3,985,629	\$ 3,994,710	\$ 4,006,613	\$ 4,020,650	\$ 4,039,395	\$ 4,060,656	
Other Financing Sources (Uses) - Total	\$ 801,444	\$ 800,916	\$ 550,502	\$ 550,502	\$ 550,502	\$ 550,502	\$ 550,502	\$ 550,502	\$ 550,502	
Total Revenues	\$ 4,862,623	\$ 4,705,212	\$ 4,526,355	\$ 4,536,131	\$ 4,545,213	\$ 4,557,115	\$ 4,571,152	\$ 4,589,897	\$ 4,611,158	
Expenditures										
Town Operations	\$ 731,840	\$ 726,874	\$ 728,967	\$ 731,198	\$ 733,596	\$ 736,178	\$ 738,954	\$ 741,939	\$ 745,152	
Town Council	\$ 111,031	\$ 175,983	\$ 118,375	\$ 118,375	\$ 118,375	\$ 118,375	\$ 118,375	\$ 118,375	\$ 118,375	
General Services	\$ 531,002	\$ 497,323	\$ 508,124	\$ 504,383	\$ 506,038	\$ 507,819	\$ 509,733	\$ 511,793	\$ 514,009	
Police Department	\$ 1,486,673	\$ 1,290,473	\$ 1,326,121	\$ 1,269,510	\$ 1,273,674	\$ 1,278,157	\$ 1,282,976	\$ 1,288,159	\$ 1,293,736	
Fire Department	\$ 1,034,096	\$ 998,918	\$ 1,001,123	\$ 990,283	\$ 993,531	\$ 997,029	\$ 1,000,787	\$ 1,004,831	\$ 1,009,181	
Building/Fire Safety	\$ -	\$ -	\$ 116,665	\$ 117,022	\$ 117,406	\$ 117,819	\$ 118,263	\$ 118,741	\$ 119,255	
Judicial	\$ 224,105	\$ 219,144	\$ 227,103	\$ 227,103	\$ 227,103	\$ 227,103	\$ 227,103	\$ 227,103	\$ 227,103	
Planning/Zoning	\$ 107,781	\$ 114,884	\$ 52,973	\$ 52,973	\$ 52,973	\$ 52,973	\$ 52,973	\$ 52,973	\$ 52,973	
Tourism (less capital outlay)	\$ 116,747	\$ 141,327	\$ 140,490	\$ 141,327	\$ 141,546	\$ 142,148	\$ 143,207	\$ 144,826	\$ 146,865	
Capital Outlay	\$ 66,466	\$ 82,073	\$ 187,212	\$ 187,212	\$ 187,212	\$ 187,212	\$ 187,212	\$ 187,212	\$ 187,212	
Total Expenditures	\$ 4,409,741	\$ 4,246,999	\$ 4,407,153	\$ 4,339,386	\$ 4,351,454	\$ 4,364,813	\$ 4,379,584	\$ 4,395,952	\$ 4,413,863	
Net Revenue	\$ 452,882	\$ 458,213	\$ 119,202	\$ 196,745	\$ 193,758	\$ 192,302	\$ 191,569	\$ 193,945	\$ 197,295	

IX. Conclusion

Revenue and expenditures for the school district, county government, and governments of the two municipalities within Jasper County were projected using estimates of future population and economic growth and assuming current funding formulas, including millage rates.

The Jasper County School District is projected to see modest growth in enrollment. Nonetheless, due largely to the low expected growth in non-residential property values in the outlying years and the effects of Act 388, which prevents the district from benefiting from the projected residential growth in the county, its revenue is expected to lag behind expenses by around 2022.

County government is expected to realize continued budget surpluses, albeit at a decreasing rate, through 2025. The two municipal governments within the county, however have mixed results. Hardeeville, the larger of the two, is projected to continue experiencing budget shortfalls, which will increase in each year as a result of the demands created by a growing population and slow property value appreciation. Ridgeville, on the other hand, is projected to continue to enjoy budget surpluses due to much slower population growth, which generates much less demand on local government services, as well as the

contribution to revenue from the town's ATAX and LOST.

“Break-even” home values were also estimated for the county and each municipality. These values, particularly for the municipalities, are much higher than those estimated in the 2006 report. This is likely due to the effects of inflation on the nominal (current-dollar) cost of services, but also due to the fifteen percent reassessment cap imposed on local governments by Act 388. The inability to raise assessed home values when actual market values are appreciating more than fifteen percent between reassessment cycles would require new homes added to the tax base to have higher values to compensate for revenue lost on existing homes.

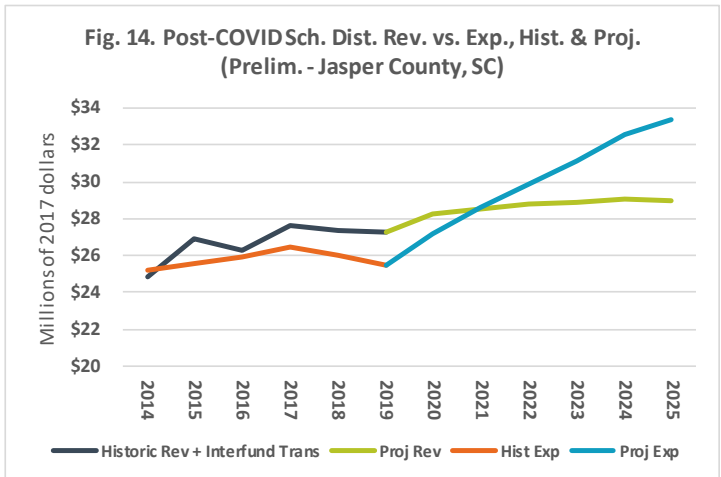
X. Addendum—Preliminary Adjustments for COVID-19 Impacts

Subsequent to completion of the foregoing analysis, the nation was impacted by the COVID-19 pandemic. This national crisis led to government-mandated business closures and stay-at-home orders resulting in the largest economic downturn since the Great Depression. The timing of the recovery from this downturn is as yet uncertain, so the following projections are preliminary and subject to change as the situation evolves.

Clearly, given the connection between local governments’ fiscal position and the local economy, the pandemic will have significant impacts on future revenues and expenditures in Jasper County. Subsequent to the outbreak of the pandemic, REMI adjusted its baseline forecast to account for the economic downturn. This baseline was then adjusted by the author with the assumption that all announced new investment included in the preceding model would continue as planned. The revised results were then input to the Fiscal Impact Analysis Tool to generate a revised fiscal projection.

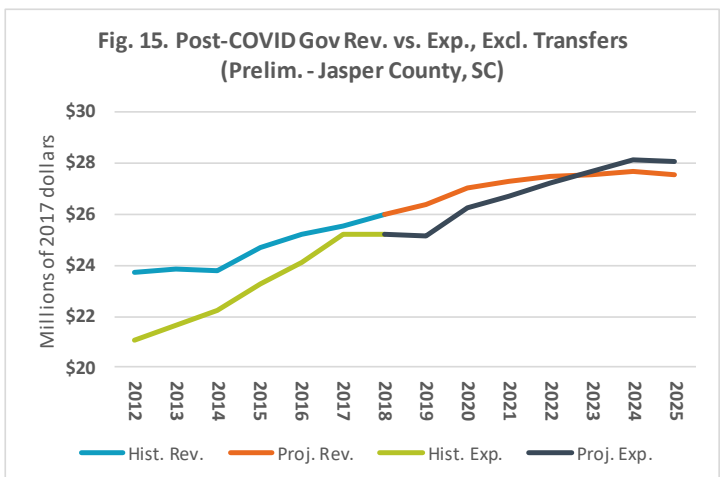
The school district is primarily impacted on the revenue side of the equation, relative to the pre-COVID projections. The rate of growth in non-residential property tax base is projected to be lower than previously expected; this has the effect of flattening the revenue growth curve, as seen in Figure 14. Expenditures are projected to grow at a slightly faster rate, as growth of certain age groups within the school-age population is projected to increase. The net effect on school district finances is that expenditures are projected to surpass revenues one year earlier than previously expected. It should be noted that this analysis only takes into account school district revenue and expenses that can be projected from historical values; emergency funding and the additional expenses associated with remediation measures are not taken into account.

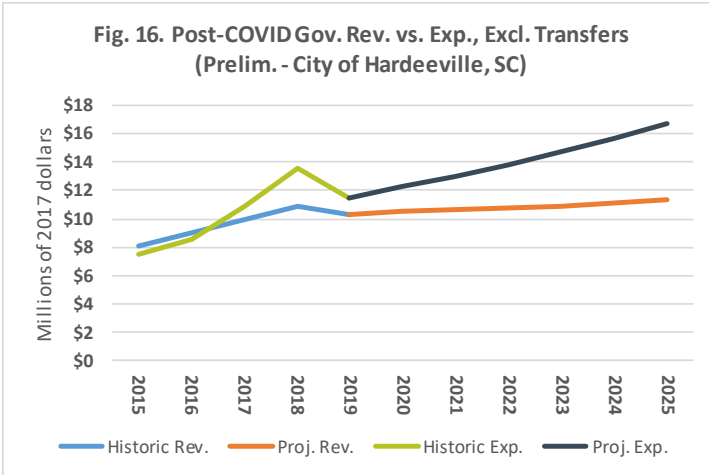
For Jasper County government, revenues are projected to be negatively impacted, but not severely so, given that the decrease in the rate of non-residential tax base growth noted above is not sufficient to offset increased growth in the residential tax base. However, given the mobility in the population that has been observed in conjunction with families beginning to



move away from more urbanized areas where pandemic infection rates were higher, the county is projected to see a small overall increase in the rate of population growth over the next several years. This will result in an increase in demand for county government services leading to higher projected expenditures. Therefore, the revised model sees county expenditures exceeding revenues by around 2023. This is shown graphically in Figure 15.

Finances for the City of Hardeeville are projected not to be significantly impacted overall by changes brought about by the pandemic. The city’s population is projected to grow at a slightly slower rate than previously projected during the first few years following 2020, then at a slightly faster rate starting in 2024; the net result of this is somewhat lower overall expenditures than under the pre-COVID estimate. Revenues are also projected to be slightly lower as a result of slower property value growth rates. The net





further, in the interest of being appropriately conservative, 2021 sales are assumed to be down 20 percent, and they are assumed to be down 10 percent in 2022. Hospitality sales are assumed to resume the normal projected trend by 2023. These projections, given the importance of the ATAX in Ridgeland’s revenue mix, yield a significant drop in town revenues in 2020 with suppressed revenue growth in the succeeding two years. Nonetheless, based on these assumptions, revenues are projected to continue to exceed expenditures, as shown in Figure 17.

fiscal impact, however, presented in Figure 16, is not significantly different from the pre-COVID estimate. As noted previously, this analysis does not include non-general fund revenue sources.

The Town of Ridgeland is projected to see a slightly increased rate of population growth which is projected to result in a small increase in expenditure growth over the next several years. Meanwhile, the economic downturn will suppress property values somewhat leading to an initial decline in overall revenues relative to the pre-COVID estimate, but revenues are projected to rebound in the latter years. The largest impact on town revenues is expected to come from COVID’s effect on ATAX revenues. The effects of the pandemic on travel impacted the hospitality sector very heavily in the region. While there are signs of recovery in the region, it is too soon to know precisely how much the sector will have lost relative to a normal tourist season by year’s end. In this analysis, it was assumed that hospitality sales in the county will be down on net 30 percent by the end of 2020;

