

CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070
CITY COUNCIL WORKSESSION AGENDA
May 19, 2020

STATEMENT OF MEDIA NOTIFICATION

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

WORKSESSION - City Hall, Planning Conference Room, 1st Floor - 5:00 PM

Please note, this meeting will be conducted electronically via Zoom and broadcasted via livestream on Facebook. You can view the meeting live via Facebook at the City's page City Beaufort SC

I. CALL TO ORDER

A. Billy Keyserling, Mayor

II. DISCUSSION ITEMS

- A. City Manager's FY 2021 Recommended Budget
- B. Accommodations Tax Grant (ATAX) Freeze and Consolidation

III. ADJOURN



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 5/13/2020
FROM: William Prokop, City Manager and Kathy Todd, Finance Director
AGENDA ITEM TITLE: City Manager's FY 2021 Recommended Budget
MEETING DATE: 5/19/2020
DEPARTMENT: Finance

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR: Discussion

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Recommended Budget FY21	Backup Material	5/15/2020

CITY OF BEAUFORT, SC



FISCAL YEAR 2021

**CITY MANAGER'S
RECOMMENDED BUDGET**

PRESENTED MAY 19, 2020



CITY MANAGER'S MESSAGE

WHERE HISTORY, CHARM, AND BUSINESS THRIVE

May 12, 2020

Mayor Keyserling and members of the Beaufort City Council:

With the COVID-19 state of emergency, our focus has been to ensure a safe and healthy workforce and communicate with our residents what this means for our service delivery and our preparedness. While at the same time we have been assessing the financial implications on the City with the uncertainty surrounding the economic effects of the COVID-19 pandemic. Financially, the impact is worse than being impacted by a hurricane. With a hurricane your expenses are what takes a hit, but there is usually some form of recovery money from FEMA or the state emergency management that helps you recoup some of your expenses. COVID-19, however, is an outright loss of our revenue, while we are incurring expenses, that will be totally lost and will take years to make up.

As we prepare this budget, we are performing our best analysis and projections of our financial outlook for the balance of this year, and for our next fiscal year. Our plan and budget are centered around the following:

1. Staying focused on our basic needs and service requirements – We will continue to use the goals and objectives established for our 2019-2021 Strategic Plan and Budget. We will continue developing our new Strategic Plan and Updated Master Plan as the year proceeds.
2. Managing our cash flow
3. Organizational downsizing and transitioning
4. Developing a balanced budget for 2021
5. Being nimble and adaptive in today's ever-changing world and planning on presenting a budget amendment on or before January 2021 when trends will be clearer.

Upon entering the COVID-19 situation, spending was immediately ratcheted down as the City braced for delayed and decreased revenues. Curbing expenses early and communicating the financial uncertainty that was anticipated was critical. Immediately all department heads identified planned 2020 expenditures for consideration of being reduced or suspended. We began prioritizing projects, staffing, and purchases while scaling back expenses. We have frozen staffing at current level, however, if necessary, staff reductions may occur whether it is through furloughs, or reduction in hours. Considering the extremely competitive nature and shortage of applicants prior to the emergency and recognizing the high caliber and dedication of our staff we are not planning on any staffing reductions at this time.

This budget must be viewed and understood that we are making cuts to needed new staff and projects until we see our local economy begin to return to a new normal. We will be monitoring our expenses and revenues weekly, and we anticipate the need to bring back budget amendments to council on or before January 2021 to adjust to the needs of our City at that time.

This budget as presented cuts previously approved and needed staffing levels and has no new hires planned in the upcoming fiscal year. It also cuts back on maintenance and infrastructure projects that need to be done for us to properly manage our aging and expanding facilities and assets.

We have absorbed cost increases in our vendor contracts, tort insurance, health insurance, pension system, and other fixed expenses as well. We have also had services previously provided to us by the County reduced or eliminated; as examples solid waste fees, the handling by the sheriff of mental health patients when discharged from the hospital or court, and the County Transportation Committee (CTC) advising us that no funding will be available to the municipalities for the next two years. The sudden stop to the global economy has had a major effect on our local economy and will take a few years to recoup.

Our Parks and Tourism fund and State Accommodations is projected to have an overall revenue shortfall for the last quarter of FY 2020 and first half of FY 2021 between \$900,000 and \$1,300,000 due to the COVID-19 virus. Most of cost in this fund are fixed because of required debt payments, and landscaping and maintenance contracts, and a small percentage of the police services cost for our downtown core district and all our parks,

Several critical infrastructure improvements and repairs have been removed from the budget at this time but will need to be added back as soon as funding is available, examples the repair/replacement of the fuel tanks at the marina, major repairs to sink holes in Henry C. Chambers Park. The revenue for these funds does not come from property taxes but mostly from events, parking, and tourism activities.

There may be some federal funding for states and municipalities to help offset some of our lost revenue and expenses, but at the time of this writing that is unknown, and therefore, we are not showing any projected revenue for this. If, that changes, we will do a budget amendment. We are proposing to add the Road Fee of \$25.00 per vehicle that the County and Hilton Head have had for the last few years and is being considered in the Bluffton and Port Royal budgets as well. This fee is not a property tax but is a vehicle fee that all vehicle owners' users pay. This fee would be used to offset our roads and sidewalks cost that we currently have no other offsetting revenue source. Our major expenses in addition to Public Safety will be in the stormwater projects which we have obtained funding through grants and bonding and must be completed to protect our citizens from continued serious stormwater and flooding issues. Much like the last few years we will explore grant opportunities and will continue to work with the county, our legislative delegation, and the Municipal Association to stop the downshifting of cost and to help us identify additional revenue opportunities.

As I stated last year maintaining our expanding infrastructure in good condition and planning for the future environmental affects is critical to economic development, public safety, and high quality of life, and continues to be a priority in our Strategic Plan.

I submit the proposed budget for the fiscal year 2020/2021. This balanced budget is designed to focus on our basic needs and to achieve results on the goals that we have established in our strategic plan. Knowing that some delays will occur, and we will have to address budget adjustments on or before the middle of the new year. Specifically, the proposed FY 2021 annual operating budget of \$23,194,891 across all funds which is \$450,921 less than last year's original budget of \$23,645,812 a decrease of 1.9%.

This budget projects our basic needs and carries no extra funding for unplanned grant matches, projects we would like to see get done, or projects that various groups or individuals think should be done and will be requesting during the year. The budget allows us to provide the necessary municipal services that our residents have come to expect.

In addition, this budget continues to support the City Council's goals that were established last year and continues to meet our Fund Balance Policy to ensure an unrestricted unassigned fund balance of 28%, and to invest in economic development activities that will have long term benefit to the City.

Our organization will be challenged by the current financial woes, but our City will come through this pandemic because of the dedication and commitment of our staff and our City Council. Marshaling our strategies, setting priorities for our resources and actions will help the City of Beaufort emerge stronger from this crisis as this is an opportunity to learn new ways of operating to meet the changing needs of our citizens and accomplishing the diversification needed of our economy.

I thank our entire City staff for their continued service to our community and their assistance in the preparation of this recommended budget. I thank our Finance Director, Kathy Todd and her staff for helping us put all the projections and expenses together in a meaningful document.

Finally, my thanks to City Council for this opportunity and for providing open, transparent, and clear expectations and direction in completing this process in a very uncertain time.

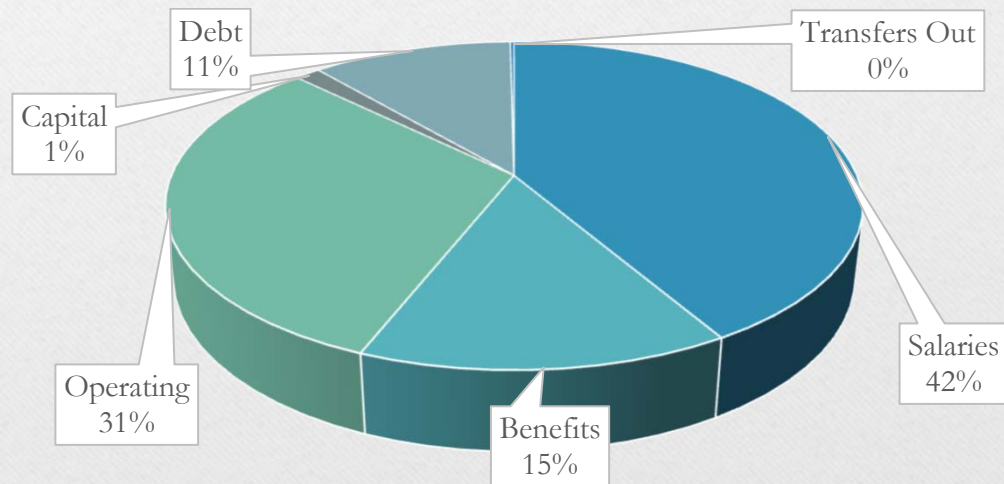
Respectively submitted,

A handwritten signature in black ink, appearing to read 'W. Prokop', written in a cursive style.

William A. Prokop, City Manager

Consolidated FY 2021 Recommended Budget

	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Fire Impact Fund	Redevelopment Fund	Total
Revenues	\$ 18,133,420	\$ 35,000	\$ 3,201,100	\$ 1,267,973	\$ 471,750	\$ 119,363	\$ 12,400	\$ 23,241,006
Salaries	\$ 7,915,698	\$ -	\$ 1,351,109	\$ 344,057	\$ 17,723	\$ -	\$ -	\$ 9,628,587
Benefits	2,770,494	-	472,889	120,420	6,203	-	-	3,370,006
Operating	5,667,241	-	1,035,504	281,618	250,524	-	-	7,234,887
Capital	24,930	-	32,500	64,000	150,000	70,400	-	341,830
Debt	1,755,057	-	309,098	508,126	-	-	-	2,572,281
Transfers Out	-	-	-	-	47,300	-	-	47,300
Total Expenditures	\$ 18,133,420	\$ -	\$ 3,201,100	\$ 1,318,221	\$ 471,750	\$ 70,400	\$ -	\$ 23,194,891
Net (Deficit) Surplus	\$ -	\$ 35,000	-	\$ (50,248)	\$ -	\$ 48,963	\$ 12,400	\$ 46,115

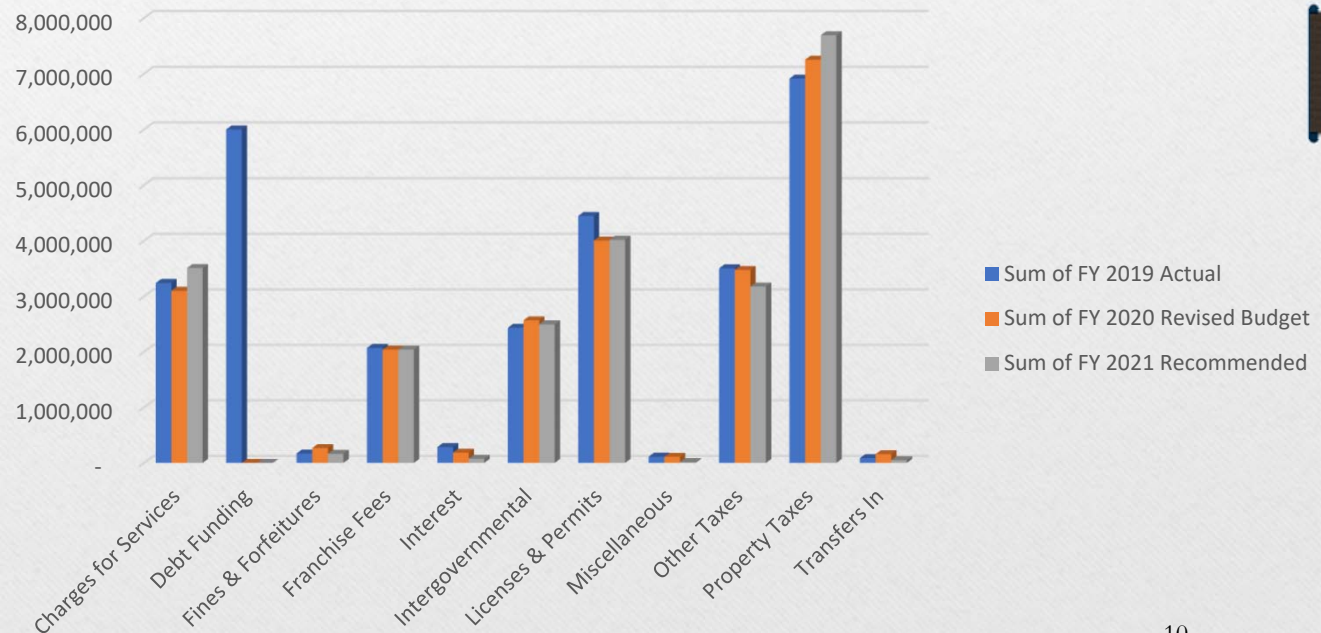


Percentage of
Expenditures
covered by
Revenues.

Consolidated Revenue Budget Summary

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Change	% Change
General Fund	\$ 17,599,658	\$ 17,850,389	\$ 18,133,420	\$ 283,031	1.59%
Special Revenue Funds					
Parks and Tourism Fund	3,802,498	3,554,826	3,201,100	(353,726)	-9.95%
State Accommodations Fund	540,401	555,000	471,750	(83,250)	-15.00%
Fire Impact Fund	-	-	119,363	119,363	100.00%
Stormwater Fund	933,668	1,100,000	1,267,973	167,973	15.27%
TIF II Fund	151,867	90,000	35,000	(55,000)	-61.11%
Redevelopment Fund	12,380	12,400	12,400	-	0.00%
	<u>\$ 23,040,472</u>	<u>\$ 23,162,615</u>	<u>\$ 23,241,006</u>	<u>\$ 78,391</u>	<u>0.34%</u>

**Where the
money
comes
from**



FY 2021 Consolidated Revenue Budget Highlights

- Property Tax estimates:
 - Taxable Assessed Value (TY 20 estimated) = \$96,098,425
 - This represents an overall projected growth of \$1,254,422 or 1.3%
 - Real property taxable assessed value is projected to grow 3.0% over TY 2019, but personal property taxable assessed value is expected to see no growth. Vehicle property tax is projected to increase 11% over FY 2020.
 - Value of a Mil for TY 2019 is \$94,844 and \$96,098 for TY 2020.
- Property Tax in the General Fund includes an estimated growth and CPI increase in the operating mil of 2.54%, or 1.4 mils, debt mil is increased by 1 mil to cover debt payments of the general fund and a continuation of the reserve mils at 2 mils to fund future infrastructure repairs.
 - Growth adds an estimated \$68,742 and the mil adjustment for CPI adds \$134,538, for a total \$203,280 increase to the City's property tax revenues.
 - The recommended budget contains a 1 mil increase to the debt mils and no increase to the reserve mil.
- Reimbursement of the SAFER grant for the Fire Department personnel comes to completion in December 2020. One half year reimbursement to the General Fund intergovernmental revenues totals \$169,190. This is a 65% decrease over the previous year.
 - Reimbursement rate for first half of FY 2021 remains at 35%.

FY 2021 Consolidated Revenue Budget Highlights (cont'd)

- A Road Fee of \$25 per motor vehicle fee is being proposed in the General Fund to cover the ever increasing costs of maintaining City sidewalks and roads.
 - State, County and Citizen expectation to repair state roads without funding.
 - City was notified that County Transportation Commission funding would not be available for municipalities in the county through FY 2022.
 - There are approximately 9,621 vehicles registered to City citizens. The Road fee would generate \$240,525 and would offset Street expenditures by 30%.
- With City Council's approval of the Fire Impact Fee, a new fund is included in this years recommended budget.
 - Fees go into affect on January 1, 2021 and are estimated to generate \$119,363 and will be used to offset Fire Department Capital infrastructure in accordance with the approved Ordinance.
- Overall revenue growth of the General Fund is estimated at 1.59% over FY 2020 or \$283,031.
- The impacts of COVID 19 are anticipated to affect the Local hospitality and accommodations taxes reported in the Park & Tourism fund the most. These funds are estimated to decrease by 9.95%, or \$353,726 over FY 2020.

FY 2021 Consolidated Revenue Budget Highlights (cont'd)

- Stormwater revenues are estimated to increase \$167,973 in FY 2021 over FY 2020.
- An increase of \$10 to the Stormwater Utility Fee is proposed in the Recommended Budget, from \$135 to \$145.
 - Contributing factors for this increase related to:
 - ✓ Mounting costs to complete the major stormwater projects
 - ✓ As stormwater projects are completed in FY 2021, additional costs to maintain will be necessary.
 - Growth of 3% will contribute \$33K of the increase and the increase in the fee will contribute \$134,973.

Consolidated Expenditure Budget Summary

		FY 2020 Amended Budget	FY 2021 Recommended Budget	Change	% Change
	FY 2019 Actual				
General Fund					
Salaries	\$ 7,379,043	\$ 7,705,595	\$ 7,915,698	\$ 210,103	2.73%
Benefits	2,524,808	2,831,434	2,770,495	(60,939)	-2.15%
Operations	5,155,551	5,500,507	5,667,241	166,733	3.03%
Capital	245,754	165,000	24,930	(140,070)	-84.89%
Debt	1,822,869	1,914,388	1,755,057	(159,331)	-8.32%
Transfers Out	1,035,102	-	-	-	0.00%
Total General Fund	\$ 18,163,126	\$ 18,116,924	\$ 18,133,420	\$ 16,497	0.09%
Parks and Tourism Fund					
Salaries	\$ 1,418,344	\$ 1,437,704	\$ 1,351,109	\$ (86,595)	-6.02%
Benefits	500,236	536,403	472,889	(63,514)	-11.84%
Operations	1,141,464	1,128,716	1,035,504	(93,212)	-8.26%
Capital	46,649	116,377	32,500	(83,877)	-72.07%
Debt	309,098	309,098	309,098	-	0.00%
Transfers Out	-	105,070	0	(105,070)	-100.00%
Total Parks and Tourism Fund	\$ 3,415,791	\$ 3,633,368	\$ 3,201,100	\$ (432,268)	-11.90%
Stormwater Fund					
Salaries	\$ 329,149	\$ 347,349	\$ 344,057	\$ (3,292)	-0.95%
Benefits	116,081	136,791	120,420	(16,371)	-11.97%
Operations	274,008	448,411	281,618	(166,793)	-37.20%
Capital	45,977	182,000	64,000	(118,000)	-64.84%
Debt	573,980	507,909	508,126	217	0.04%
Transfers Out	305,431	-	-	-	0.00%
Total Stormwater Fund	\$ 1,644,626	\$ 1,622,461	\$ 1,318,221	\$ (304,240)	-18.75%

Consolidated Expenditure Budget Summary (Cont'd)

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Change	% Change
State Accommodations Fund					
Salaries	\$ 35,704	\$ 16,618	\$ 17,723	\$ 1,105	6.65%
Benefits	16,376	7,952	6,203	(1,749)	-21.99%
Operations	432,713	328,931	250,524	(78,407)	-23.84%
Capital	-	150,000	150,000	-	0.00%
Transfers Out	50,684	51,500	47,300	(4,200)	-8.16%
Total State Accommodations Fund	\$ 535,476	\$ 555,000	\$ 471,750	\$ (83,250)	-15.00%
Fire Impact Fund					
Capital	\$ -	\$ -	\$ 70,400	\$ 70,400	100.00%
Total Fire Impact Fund	\$ -	\$ -	\$ 70,400	\$ 70,400	100.00%
TIF II Fund					
Operations	\$ -	\$ -	\$ -	\$ -	0.00%
Capital	105,900	-	-	-	0.00%
Transfers Out	2,387,423	350,491	-	(350,491)	-100.00%
Total TIF II Fund	\$ 2,493,323	\$ 350,491	\$ -	\$ (350,491)	-100.00%
Redevelopment Fund					
Salaries	\$ -	\$ -	\$ -	\$ -	0.00%
Benefits	-	-	-	-	0.00%
Operations	166,617	12,400	-	(12,400)	-100.00%
Capital	31,203	-	-	-	0.00%
Transfers Out	32,083	-	-	-	0.00%
Total Redevelopment Fund	\$ 229,903	\$ 12,400	\$ -	\$ (12,400)	-100.00%
Total All Funds	\$ 26,482,246	\$ 24,290,644	\$ 23,194,891	\$ (1,095,753)	-4.51%

FY 2021 Consolidated Expenditure Budget Highlights

Salaries and Benefits

- Vacant positions frozen.
- Increase in Retirement Contribution by PEBA of 1%.
- Increase of as much as 20% in Health and Dental premiums which will be shared between employees and the City.
- General Fund salaries and benefits increased .57%, Parks & Tourism salaries and benefits decreased 17.86% and Stormwater salaries and benefits decreased 12.92%. Overall decrease in salaries & benefits of \$21,252.

Operations

- Overall decrease of 2.48%: General Fund increased 3%; Parks & Tourism decreased 8.26%; Stormwater decreased 37.20%; and State Accommodations Tax decreased 23.84% primarily due to decreased revenues and a shift of basic operational cost, and tort and other liability insurance increases.

Capital

- Much of the capital replacement program has been frozen moving into FY 2021 as a resources remain unpredictable and availability of capital reserves.

Debt

- The only increase in debt is from normal debt payments required for FY 2020. There is no new debt included in the recommended budget.

BUDGET PROCESS

- Strategic planning sessions precede the official budget process. During these sessions, Council and staff discuss goals and set priorities.
- The budget process begins in February and the budget calendar is reviewed and established. The City Manager meets with all departments to discuss the current and future trends, needs and goals of the City.
- Departments are then responsible for preparing requests for programs, projects and initiatives they would like to have considered for the upcoming budget year.
- Each department meets individually with the City Manager to review department budget requests and senior management team meet collectively to evaluate budget total and modify where needed to bring expenditures in line with anticipated revenues. Requests are evaluated to determine their alignment with the strategic goals and the fiscal resources necessary to fund the requests.
- Following these meeting, the City Manager's Office and the Finance Office meet to prepare the draft budget for submission to City Council. Due to COVID 19 impacting much of the budget preparation period and its affects on the economy and future revenue planning, the draft budget is submitted to the Mayor and City Council at formal budget workshops held in May.
- The public has an opportunity to comment on the budget during the Public Hearing and again during first and second reading of the ordinance to adopt the budget.
- State law requires the City Council to adopt a balanced budget prior to June 30. Budget amendments are allowed under South Carolina law and are made throughout the year as necessary.

BUDGET CALENDAR

FY 2021 BUDGET CALENDAR, REVISED

As a result of COVID 19, Budget presentations by departments was postponed as all new funding requests to meet strategic objectives in FY 2021 were frozen until the economic outlook recovers.

- February 18, 2020: City Manager/Finance presentation at City Council Retreat on FY 2021 financial projection and Capital Improvement Plan
- March 06, 2020: Budget Entry at Level 1 available for departmental budget requests
- March 31, 2020: All departmental Budget Requests completed by close of business
- May 19, 2020: City Manager presents FY 2021 Recommended Budget to City Council
- May 22, 2020: Publication date of Public Notice of Public Hearing for FY 2021 Budget &
- June 09, 2020: Public Hearing on FY 2021 Budget in City Council meeting
First Reading on FY 2021 Budget Ordinance in City Council meeting
- June 23, 2020: Second Reading on FY 2021 Budget Ordinance in City Council meeting

FINANCIAL POLICIES

The City of Beaufort's financial policies are governed by South Carolina state law, the City Charter, and generally accepted accounting principles. These laws, principles and policies describe ways to amend the budget after adoption, provide for budget controls and budget reporting, and identify appropriate methods for budgeting, accounting and reporting.

The City Manager is authorized to transfer any sum from one budget line item to another, or from one department or org to another department or org; provided, however, that no such transfer shall:

1. Be made from one fund to another fund,
2. Conflict with any existing Bond Ordinance, or
3. Conflict with any previously adopted policy of the City Council.

Any change in the budget which would increase or decrease the total of all authorized expenditures must be approved by City Council.

The accounting policies of the City of Beaufort conform to generally accepted accounting principles (GAAP) as applicable for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting principles.

The accounts of the City are organized on the basis of funds. Each is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FINANCIAL POLICIES (CONT'D)

The operations of each fund are accounting for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

General Fund is the City's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Principle sources of revenue are property taxes, licenses and permits, intergovernmental revenues, and various charges for services such as refuse collection fees. A few of the primary expenditures in the General Fund are public safety (including police and fire services), general government, public works, and debt service.

Special Revenue Funds are to report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose other than debt service or capital projects. The Parks & Tourism, Stormwater Utility, State Accommodations and the Redevelopment Fund, are Special Revenue funds budgeted through the City's Budget process. The TIF II Fund will be included in the budget process, but only to the extent of capital equipment and other direct operating costs. All capital infrastructure will be incorporated through the adoption of the Capital Improvement Plan now that the Incremental Tax revenue is no longer being collected as of June 30, 2017 and all associated debt of the TIF II Fund has been repaid.

The purpose of each of these Special Revenue funds is as follows:

- The **Parks & Tourism Fund accounts** for the local hospitality and local accommodations taxes and other revenues that support parks and tourism activities and the related costs.

FINANCIAL POLICIES (CONT'D)

- The **Stormwater Utility Fund** accounts for the Stormwater Utility charge to properties within the City and all associated costs used for all stormwater utility activities.
- The **Fire Impact Fund**, a new fund adopted in FY 2021, accounts for the collections of the Fire Impact fee and the related capital expenditures in accordance with the Capital Improvement Plan.
- **State Accommodations Tax Fund** accounts for the 2% State Accommodations sales tax from transient room rentals. The expenditures are restricted to tourist related activities as stipulated by State Law.
- **Redevelopment Fund** accounts for the activity in support of Redevelopment initiatives.
- The **Capital Projects Fund** accounts for activity related to capital projects of the City.

BUDGET FORMAT

The Operational Budgets are presented in accordance with State Law and the City's fiscal policies for the General Fund, Parks & Tourism Fund, Stormwater Fund, State Accommodations Fund and Redevelopment Fund.

The Budget Summary for each fund is broken into segments:

- Revenues
- Expenditures
 - Salaries & Benefits
 - Operations which includes: Workers Compensation insurance, consulting services, professional services, utilities, property, vehicle and tort liability insurances, supplies, leased equipment, postage, printing, telephone, travel, and maintenance.
 - Capital Rolling Stock and Stormwater includes vehicles, equipment and stormwater projects funded by the Stormwater fees.
 - Transfers represents Transfers out of one fund and into another for approved projects.
 - Debt Service represents the payments of principle and interest on the City's Revenue bond, general obligation bond funding and capital leases.

The Capital Project Budget is presented in accordance with City Council's Capital Improvement Plan. The Capital Project Budget is an inception to date budget with projects added and removed based on City Council priorities, availability of funding and completion.

STRATEGIC PLAN 2019 TO 2021

WHERE HISTORY, CHARM AND BUSINESS THRIVE

Goal 1: Encourage sustainable economic growth through new businesses and expansions to achieve tax base diversification and career paths into middle income (defined as \$50,000 annually) through targeted recruitment of businesses in technology, knowledge management, advanced manufacturing and emerging sectors.

Rationale: *Increasing the focus on economic development by encouraging sustainable economic growth and partnerships through business workforce development and diversification will create jobs that enable and encourage the private sector to create well-paid, career oriented positions. Using strategies for infrastructure, maximizing use of appropriate city-owned properties, focusing on promising growth sectors, and expanding desired economic activity will positively impact our tax base and improve revenue for the City.*

Goal 2: Create a long range plan and identify available revenue streams to address the City's infrastructure and development needs.

Rational: *The public and the political leadership deserve to know what is needed to practice exemplary stewardship of City resources. Detailed analysis must be conducted that informs budget decisions regarding the City infrastructure. Finally the detailed analysis will assist in making decisions regarding the needs for improved stormwater, flooding, sidewalk, street and facility improvement plan and construction needs for the short and long-term needs of the City.*

STRATEGIC PLAN 2019 TO 2021 (CONT'D)

WHERE HISTORY, CHARM AND BUSINESS THRIVE

Goal 3: Create and coordinate programs and opportunities for the development of housing that is affordable, for different segments of our populace, to be constructed in the City to provide the needed housing for our workforce.

Rationale: *By 2027, if not sooner, the supply of affordable housing is expected to fall short for many income groups but especially for relatively lower income renters and higher income homebuyers, even taking into account new units in the development pipeline. The recent study on housing completed by Beaufort County shows the need very clearly. If we are going to be successful with our economic development plans, affordable housing must be made available. There is a need now, and by 2027 the need is expected to peak.*

Goal 4: Through tourism, and an active vibrant downtown, attract those who wish to relocate their offices and businesses here to live, work, and play by capitalizing on that which gives Beaufort unmatched quality of life opportunities.

Rationale: *The City of Beaufort is one of South Carolina's most historic and iconic cities, with a vibrant Lowcountry character, well-preserved historic buildings, and a natural beauty and lifestyle that attracts visitors and inspires devotion in residents. The City has worked to maintain the vibrancy and economic viability of the Downtown Commercial Core and our historic sites. Our downtown, a strong anchor for the community and a prime destination for visitors, requires ongoing attention to ensure sustainability.*

STRATEGIC PLAN 2019 TO 2021 (CONT'D)

WHERE HISTORY, CHARM AND BUSINESS THRIVE

The Waterfront Park is broadly enjoyed by our residents and our guests as they take in the beauty of Beaufort River. The playground is frequented by children as their parents watch nearby. We consider our Marina and the Waterfront Park to be jewels, which must be polished from time to time. Now is such a time.

Goal 5: Initiate a plan to accommodate balanced growth through infill and community development within targeted areas of the City.

Rationale: *We welcome opportunities to expand our population and to expand the revenue streams that accompany new development. Expansion within relatively fixed borders calls on us to look inward for opportunities. Through thoughtful infill we can stabilize, enhance, and promote preservation in select neighborhoods. Increasing occupation of once struggling properties creates broad, deep communities of individuals who value the beauty of Beaufort. We put a street-by-street plan to an overall 5 year project context*

Goal 6: Create and coordinate an environmental sustainability Task Force to address and mitigate the effects of storm water, flooding, rising sea levels and other natural disasters.

STRATEGIC PLAN 2019 TO 2021 (CONT'D)

WHERE HISTORY, CHARM AND BUSINESS THRIVE

Goal 7: Coordinate and collaborate with community stakeholders to identify the overall educational needs within the City, resulting in a sound educational needs and workforce development plan.

Rationale: *The effects of not having the skills that are needed by high tech industry will have continuing impacts on the City. These are real and are being felt. The need for a better educated and trained workforce is a national problem. We must better understand the impact and how we can plan, prepare, fund, and safeguard the development of our workforce. These challenges will be one of the greatest our community has ever faced and will require the assistance of a multitude of agencies.*

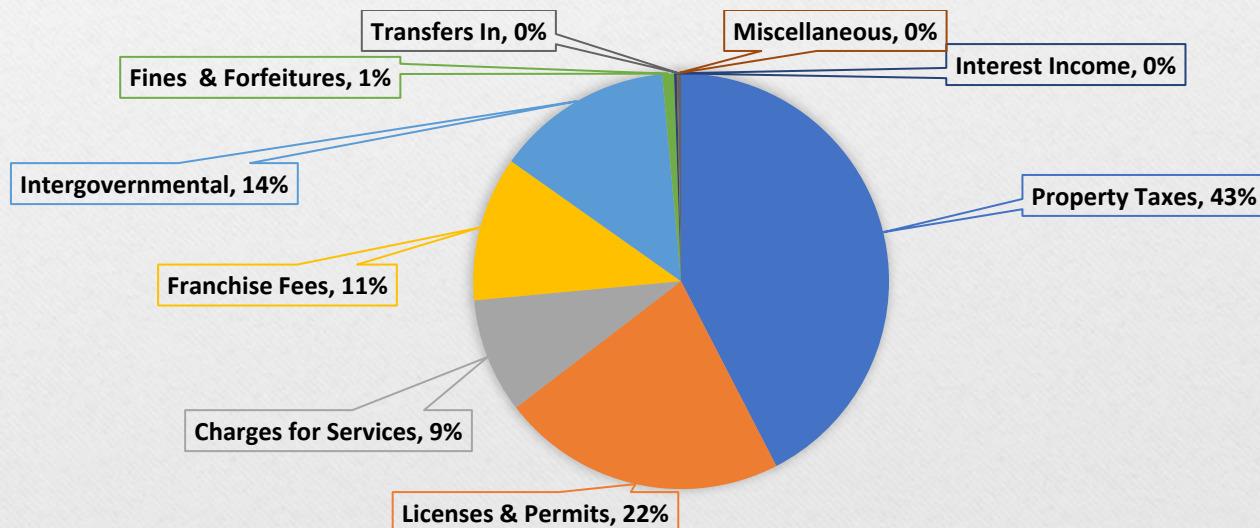
General Fund

The General Fund is the main operating fund of the City. The primary sources of revenue are property taxes, licenses & permit revenues, franchise fees, intergovernmental revenues and general charges for services.

The General Fund accounts for the activity of the City Council, City Manager, Finance & Information Technology, Human Resources, Municipal Court, Community & Economic Development & Building Inspections, Police, Fire, and Public Works.

BUDGET SUMMARY - REVENUES

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 6,913,981	\$ 7,251,964	\$ 7,692,607	\$ 440,643
Licenses & Permits	4,447,537	4,005,000	4,020,000	15,000
Charges for Services	1,314,037	1,366,097	1,620,696	254,599
Franchise Fees	2,070,518	2,041,468	2,041,468	-
Intergovernmental	2,434,464	2,569,073	2,495,899	(73,174)
Fines & Forfeitures	169,793	267,500	164,000	(103,500)
Interest Income	132,271	95,000	40,000	(55,000)
Miscellaneous	98,308	97,717	10,000	(87,717)
Transfers In	55,076	156,570	48,750	(107,820)
Total Revenues	\$ 17,635,985	\$ 17,850,389	\$ 18,133,420	\$ 283,031

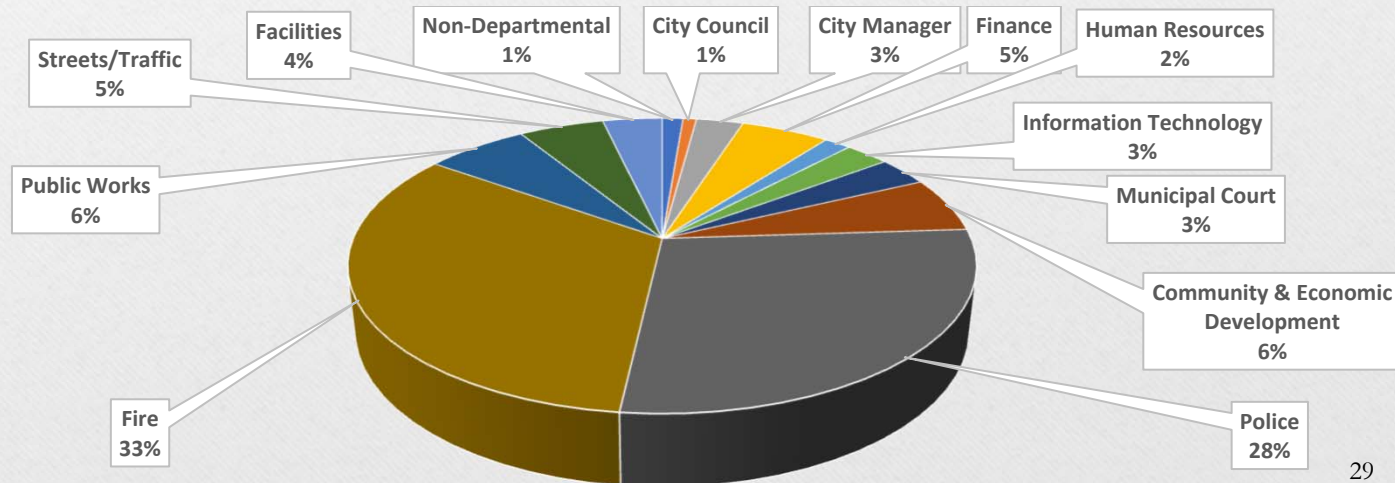


Property Taxes

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget
Current Property Taxes	\$ 4,390,673	\$ 4,798,757	\$ 5,091,792
Property Taxes - Debt Mil	1,703,609	1,762,835	1,864,309
Delinquent Property Tax	153,164	136,088	136,088
Penalties & Interest	34,723	33,196	33,196
Vehicle Property Taxes	403,011	294,696	333,348
Homestead Exemption	183,338	183,338	191,447
Motor Carrier	13,409	11,000	10,373
Payment in Lieu	32,054	32,054	32,054
Total Property Taxes	\$ 6,913,981	\$ 7,251,964	\$ 7,692,607
Taxable Assessed Value ¹	\$ 92,527,110	\$ 94,844,003	\$ 96,098,425
Value of Mil	\$ 92,527	\$ 94,844	\$ 96,098

¹ TY 2020 estimated taxable assessed value presented in FY 2021 Recommended budget is based on County estimates

Percentage of Property Tax Revenue to Net Department expenditures



Property Taxes

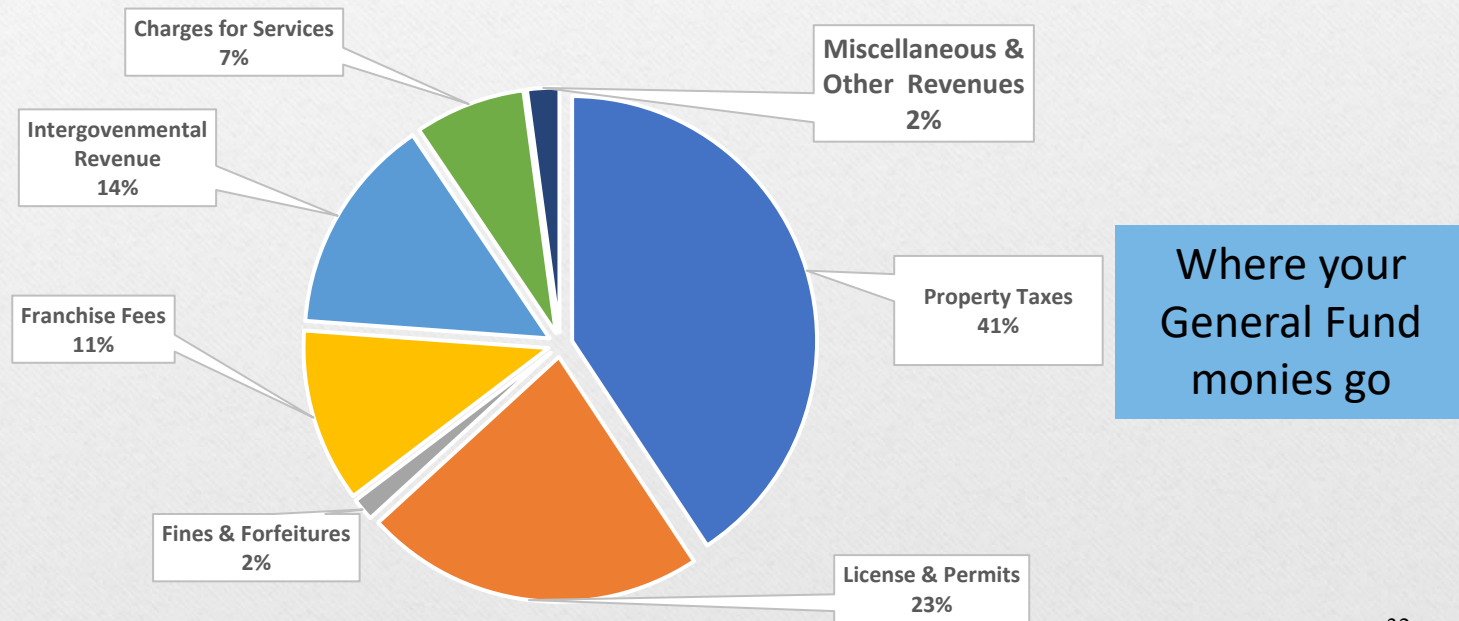
- Represents the largest revenue source of the City, or approximately 42.4% of the total revenues.
- Taxable assessed value of real property for tax year 2020 is estimated to be \$81,976,073, a 3% growth over the actual ending values for tax year 2019.
- Taxable assessed value of personal property is estimated for tax year 2020 to be \$8,007,442, with no growth expected from the actual ending values for tax year 2019. It is estimated that the personal property tax will be most impacted by the COVID 19 pandemic as business sustainability is strained.
- Vehicle taxable assessed value is estimated for tax year 2020 of \$6,114,910, an 11% increase over tax year 2020.
- Total Taxable Assessed Value is estimated at \$96,098,425, an overall increased of 1,254,422 from FY 2020.
- The growth in taxable assessed value is 1.32% higher than the prior tax year and CPI is estimated at 2.25% for a total allowed recommended increase to the millage of 2.54% or 1.4 mils.
 - Operating Mil of 56.2. FY 2020 Operating Mil is 54.8. This is an increase in property tax from the millage increase of \$134,438.
 - Debt mil is increased by 1 mil to 20 mils sufficient to cover the debt service payments.
 - Recommend maintaining the 2% reserve mil to continue to fund for aging infrastructure.
 - Total recommended millage rate of 78.2 mils.

Other Significant Revenues

- Licenses and permits is budgeted for a modest increase of \$15,000 more than FY 2020, which is due to continuing development within the City and the associated permits issued.
- Charges for Services is budgeted for \$254,599 more than FY 2020. \$240,525 of that increase is associated with the proposed \$25 fee applied to all motor vehicles registered in the City.
- All other General Fund revenues: Intergovernmental, Fines & forfeitures, Interest income, miscellaneous and transfers in are budgeted for a total of \$427,211 less than FY 2019. Intergovernmental revenues decreased due to the uncertainty of securing grants during FY 2021, a reduction related to the SAFER grant which reached its final six months, ending December 2020, decreasing fines and forfeitures and interest income which have been directly impacted by COVID 19 and Miscellaneous revenue which is unexpected throughout the year.

BUDGET SUMMARY - EXPENDITURES

	General Fund			
	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended	Change
Salaries	\$ 7,379,043	\$ 7,705,595	\$ 7,915,698	\$ 210,103
Benefits	2,524,808	2,831,434	2,770,495	(60,939)
Operations	5,155,551	5,500,507	5,667,241	166,733
Capital	245,754	165,000	24,930	(140,070)
Debt	1,822,869	1,914,388	1,755,057	(159,331)
Transfers out	1,035,102	-	-	-
Total Expenditures	\$ 18,163,126	\$ 18,116,924	\$ 18,133,420	\$ 16,497



General Fund Budget By Department

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Change	% Change
<u>Non Departmental</u>					
Salaries	\$ 2,750	\$ 30,774	\$ -	\$ (30,774)	-100.00%
Benefits	3,784	-	-	-	0.00%
Operations	104,567	129,572	208,610	79,038	61.00%
Capital	5,000	-	-	-	0.00%
Transfers Out	1,035,102	-	-	-	0.00%
Total NonDepartmental	\$ 1,151,203	\$ 160,346	\$ 208,610	\$ 48,264	30.10%
<u>City Council</u>					
Salaries	\$ 29,371	\$ 29,751	\$ 29,751	\$ -	0.00%
Benefits	9,106	9,180	10,413	1,232	13.42%
Operations	139,589	120,356	94,451	1,849	1.54%
Total City Council	\$ 178,065	\$ 159,287	\$ 134,615	\$ 3,081	1.93%
<u>City Manager</u>					
Salaries	\$ 268,649	\$ 312,352	\$ 296,876	\$ (15,476)	-4.95%
Benefits	108,546	132,409	103,907	(28,503)	-21.53%
Operations	178,957	87,015	69,246	(17,769)	-20.42%
Total City Manager	\$ 556,151	\$ 531,776	\$ 470,029	\$ (61,748)	-11.61%
<u>Finance & Information Technology</u>					
Salaries	\$ 448,779	\$ 494,840	\$ 524,519	\$ 29,679	6.00%
Benefits	27,147	153,971	183,582	29,611	19.23%
Operations	728,036	657,016	622,284	(34,732)	-5.29%
Total Finance and IT	\$ 1,203,962	\$ 1,305,826	\$ 1,330,385	\$ 24,558	1.88%

General Fund Budget By Department (cont'd)

	<u>FY 2019 Actual</u>	<u>FY 2020 Amended Budget</u>	<u>FY 2021 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Human Resources</u>					
Salaries	\$ 85,043	\$ 86,433	\$ 127,201	\$ 40,768	47.17%
Benefits	27,147	24,714	44,520	19,806	80.14%
Operations	102,396	91,921	94,337	2,416	2.63%
Total Human Resources	\$ 214,587	\$ 203,068	\$ 266,058	\$ 62,990	31.02%
<u>Municipal Court</u>					
Salaries	\$ 283,610	\$ 294,285	\$ 293,226	\$ (1,059)	-0.36%
Benefits	91,287	96,266	102,629	6,363	6.61%
Operations	86,783	98,844	122,995	24,151	24.43%
Total Municipal Court	\$ 461,680	\$ 489,394	\$ 518,850	\$ 29,456	6.02%
<u>Community & Economic Development</u>					
Salaries	\$ 431,267	\$ 489,395	\$ 549,045	\$ 59,650	12.19%
Benefits	138,411	175,720	192,166	16,446	9.36%
Operations	219,561	342,687	240,299	(102,388)	-29.88%
Total Community & Economic Development	\$ 789,239	\$ 1,007,802	\$ 981,510	\$ (26,293)	-2.61%
<u>Police</u>					
Salaries	\$ 2,438,612	\$ 2,651,208	\$ 2,513,873	\$ (137,335)	-5.18%
Benefits	808,553	962,707	879,856	(82,851)	-8.61%
Operations	763,961	999,604	1,119,642	120,038	12.01%
Capital Outlay	13,000	76,000	24,930	(51,070)	-67.20%
Total Police	\$ 4,024,126	\$ 4,689,518	\$ 4,538,301	\$ (151,218)	-3.22%

General Fund Budget By Department (cont'd)

	<u>FY 2019 actual</u>	<u>FY 2020 Amended Budget</u>	<u>FY 2021 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Fire</u>					
Salaries	\$ 2,951,195	\$ 2,852,115	\$ 3,116,967	\$ 264,852	9.29%
Benefits	1,065,104	1,114,251	1,090,938	(23,313)	-2.09%
Operations	1,041,757	1,126,830	1,180,088	53,258	4.73%
Capital Outlay	70,071	89,000	-	(89,000)	-100.00%
Debt	83,616	83,616	-	(83,616)	-100.00%
Total Fire	\$ 5,211,743	\$ 5,265,813	\$ 5,387,993	\$ 122,181	2.32%
<u>Public Works</u>					
Salaries	\$ 439,768	\$ 464,442	\$ 464,241	\$ (201)	-0.04%
Benefits	145,713	162,217	162,484	268	0.16%
Operations	1,789,943	1,846,663	1,915,288	68,626	3.72%
Capital Outlay	157,683	-	-	-	0.00%
Total Public Works	\$ 2,533,107	\$ 2,473,321	\$ 2,542,013	\$ 68,693	2.78%
<u>General Obligation Debt</u>					
Principal	\$ 1,276,801	\$ 1,416,022	\$ 1,369,499	\$ (46,523)	-3.29%
Interest	462,452	414,750	385,558	(29,192)	-7.04%
Total General Obligation Debt	\$ 1,739,253	\$ 1,830,772	\$ 1,755,057	\$ (75,715)	-4.14%
Total General Fund Expenditures	\$ 18,063,115	\$ 18,116,924	\$ 18,133,420	\$ 44,251	0.24%

GENERAL FUND EXPENDITURE SUMMARY

- Due to the financial impact of COVID 19, many of the new goals and initiatives contemplated and planned for FY 2021 have been postponed as a result of funding limitations. Therefore, Department Goals and Initiatives will remain at the FY 2020 level, unless they were completed during FY 2020. These goals and initiatives are linked to the existing adopted Strategic Plan of City Council.

Parks & Tourism Fund

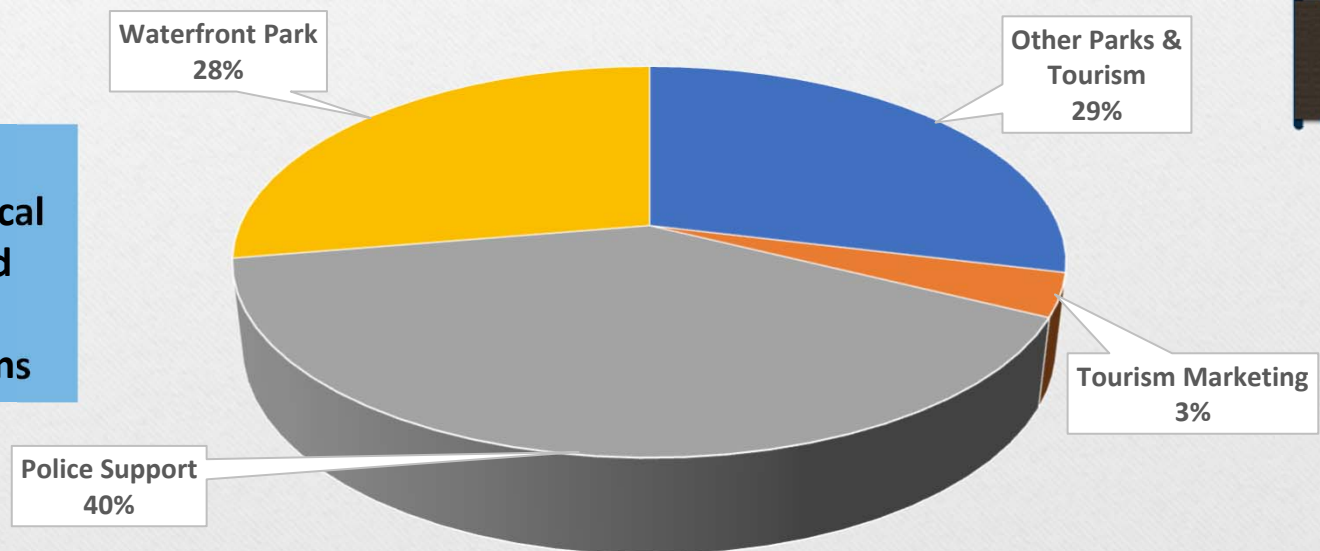
Established to account for the revenues and expenditure activities of the City that are dedicated toward support of tourism related activities, tourism development and the facilities that support those activities.

The Parks & Tourism Fund accounts for the activity of the Parks Department, Police activity in support of Parks and Tourism, Marina operations, Waterfront Park operations, Parking operations, and Downtown operations.

BUDGET SUMMARY - REVENUES

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
Other Taxes	\$ 2,965,921	\$ 2,920,976	\$ 2,706,000	\$ (214,976)
Charges for Services	821,904	621,850	490,100	(131,750)
Miscellaneous	14,673	12,000	5,000	(7,000)
Transfers In	32,083	-	-	-
	<u>\$ 3,834,582</u>	<u>\$ 3,554,826</u>	<u>\$ 3,201,100</u>	<u>\$ (353,726)</u>

**Expenditures
supported by Local
Hospitality and
Local
Accommodations**



Local Hospitality and Local Accommodations

- Both Local Hospitality and Local Accommodations have been significantly impacted by COVID 19 and the anticipated economic recovery of these industries. The local hospitality industry is expected to grow quicker than the accommodations revenue primarily a result of the fast food industry which has continued to be productive.
- Rather than presenting historical growth as a measure for anticipated revenues for the upcoming fiscal year, other indicators were used to develop estimated FY 2021 revenues.
 - Hospitality Tax collections during the last quarter of the FY 2020 fiscal year.

BUDGET SUMMARY - EXPENDITURES

		FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
<u>Other Parks & Tourism</u>	FY 2019 Actual			
Salaries	\$ 364,046	\$ 335,244	\$ 382,383	\$ 47,139
Benefits	124,622	123,120	133,834	10,714
Operations	304,303	345,907	277,155	(68,752)
Capital	30,992	15,000	10,000	(5,000)
Total Other Parks & Tourism	<u>\$ 823,963</u>	<u>\$ 819,272</u>	<u>\$ 803,372</u>	<u>\$ (15,900)</u>
<u>Police Support</u>				
Salaries	\$ 930,526	\$ 931,265	\$ 797,144	\$ (134,121)
Benefits	337,262	361,047	279,000	(82,047)
Operations	-	37,268.17	37,369	101
Total Police Support	<u>\$ 1,267,787</u>	<u>\$ 1,329,581</u>	<u>\$ 1,113,513</u>	<u>\$ (216,067)</u>
<u>Tourism Marketing</u>				
Operations	\$ 123,807	\$ 123,585	\$ 99,144	\$ (24,441)
Transfers out	-	105,070	-	(105,070)
Total Tourism Marketing	<u>\$ 123,807</u>	<u>\$ 228,655</u>	<u>\$ 99,144</u>	<u>\$ (129,511)</u>
<u>Marina</u>				
Operations	<u>\$ 32,717</u>	<u>\$ 20,373</u>	<u>\$ 77,775</u>	<u>\$ 57,402</u>
<u>Waterfront Park</u>				
Operations	\$ 361,857	\$ 475,497	\$ 452,148	\$ (23,349)
Capital	12,264	37,500	10,000	(27,500)
Debt	309,098	309,098	309,098	-
Total Waterfront Park	<u>\$ 683,218</u>	<u>\$ 822,095</u>	<u>\$ 771,246</u>	<u>\$ (50,849)</u>

Tourism Marketing includes allocations of Local Hospitality Fees of \$77,760 (5%) for the CVB and \$22,050 (1.1%) for other non- profit organizations.

BUDGET SUMMARY – EXPENDITURES (CONT'D)

		FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
	<u>FY 2019 Actual</u>			
<u>Other Downtown Operations</u>				
Salaries	\$ 123,772	\$ 171,195	\$ 171,582	\$ 387
Benefits	38,353	52,236	60,055	7,819
Operations	300,514	116,685	82,613	(34,072)
Capital	3,393	15,301	-	(15,301)
Total Other Downtown Operations	<u>\$ 466,032</u>	<u>\$ 355,417</u>	<u>\$ 314,250</u>	<u>\$ (41,167)</u>
<u>Parking</u>				
Operations	\$ 18,267	\$ 9,400	\$ 9,300	\$ (14,700)
Capital	0	48,576	12,500	-
Total Parking	<u>\$ 18,267</u>	<u>\$ 57,976</u>	<u>\$ 21,800</u>	<u>\$ (14,700)</u>
Total Parking & Tourism Fund Expenditures	<u>\$ 3,415,791</u>	<u>\$ 3,633,368</u>	<u>\$ 3,201,100</u>	<u>\$ (410,792)</u>



STORMWATER FUND

- Stormwater division of Public Works focuses on the stormwater issues facing our City.
- This fund accounts for the collections of Stormwater Utility fees and the associated costs of maintaining the City's Stormwater Management activities.
- Much of the long-term stormwater projects are reported in the Capital Projects Fund. Day to day operations and short-term projects, expected to be completed within the fiscal year, are reported in the Stormwater fund.

BUDGET SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
Stormwater Utility Fees	\$ 1,092,475	\$ -	\$ -	\$ -
Bond Proceeds	6,000,000	1,100,000	1,267,973	167,973
	<u>\$ 7,092,475</u>	<u>\$ 1,100,000</u>	<u>\$ 1,267,973</u>	<u>\$ 167,973</u>
Salaries	\$ 329,149	\$ 347,349	\$ 344,057	\$ (3,292)
Benefits	116,081	136,791	120,420	(16,371)
Operations	274,008	448,411	281,618	(166,793)
Capital	45,977	182,000	64,000	(118,000)
Debt	573,980	507,909	508,126	217
Transfers out	305,431	-	-	-
Total Stormwater Expenditures	<u>\$ 1,644,626</u>	<u>\$ 1,622,461</u>	<u>\$ 1,318,221</u>	<u>\$ (304,240)</u>

Budget Highlights:

- Salaries and Benefits remains relatively flat in comparison with the prior year.
- Operations decreased by \$166,793 as restricted fund balance has been utilized in the prior year and additional restricting additional stormwater operational costs.
- Capital is for a mower.
- Excess expenditures over revenues are to be funded by bond proceeds and excess restricted fund balance from prior years.



FIRE IMPACT FUND

This fund accounts for the fire impact fees collected on new development beginning January 1, 2021. Use of these funds is restricted by City Ordinance for Capital Improvements related Fire services.

BUDGET SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
Fire Impact Fees	\$ -	\$ -	\$ 119,363	\$ 119,363
Capital	-	-	70,400	70,400
Total Expenditures	\$ -	\$ -	\$ 70,400	\$ 70,400

Budget Highlights:

- One fire truck costing \$110K annually is budgeted out of the Fire Impact Fund in accordance with the Capital Improvement Plan. The difference between the total cost of the fire truck and the \$70,400 budget represents the Town of Port Royal portion that is billed under Intergovernmental Revenues within the General Fund.



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STATE ACCOMMODATIONS TAX FUND

This fund accounts for the 2% State Accommodations sales tax from transient room rentals and the associated expenditures that are restricted to tourist related expenditures as stipulated by State Law.

BUDGET SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget	Increase (Decrease) from Prior Year
State Accommodations Tax	\$ 540,401	\$ 555,000	\$ 471,750	\$ (83,250)
Salaries	\$ 35,704	\$ 16,618	\$ 17,723	\$ 1,105
Benefits	16,376	7,952	6,203	(1,749)
Operations				
Designated Marketing Organization	154,105	166,500	133,800	(32,700)
Tourism Grants to Qualified NPO's	278,607	162,431	116,724	(45,707)
Capital	-	150,000	150,000	-
Transfers out to General Fund	50,684	51,500	47,300	(4,200)
Total Expenditures	\$ 535,476	\$ 555,000	\$ 471,750	\$ (83,250)

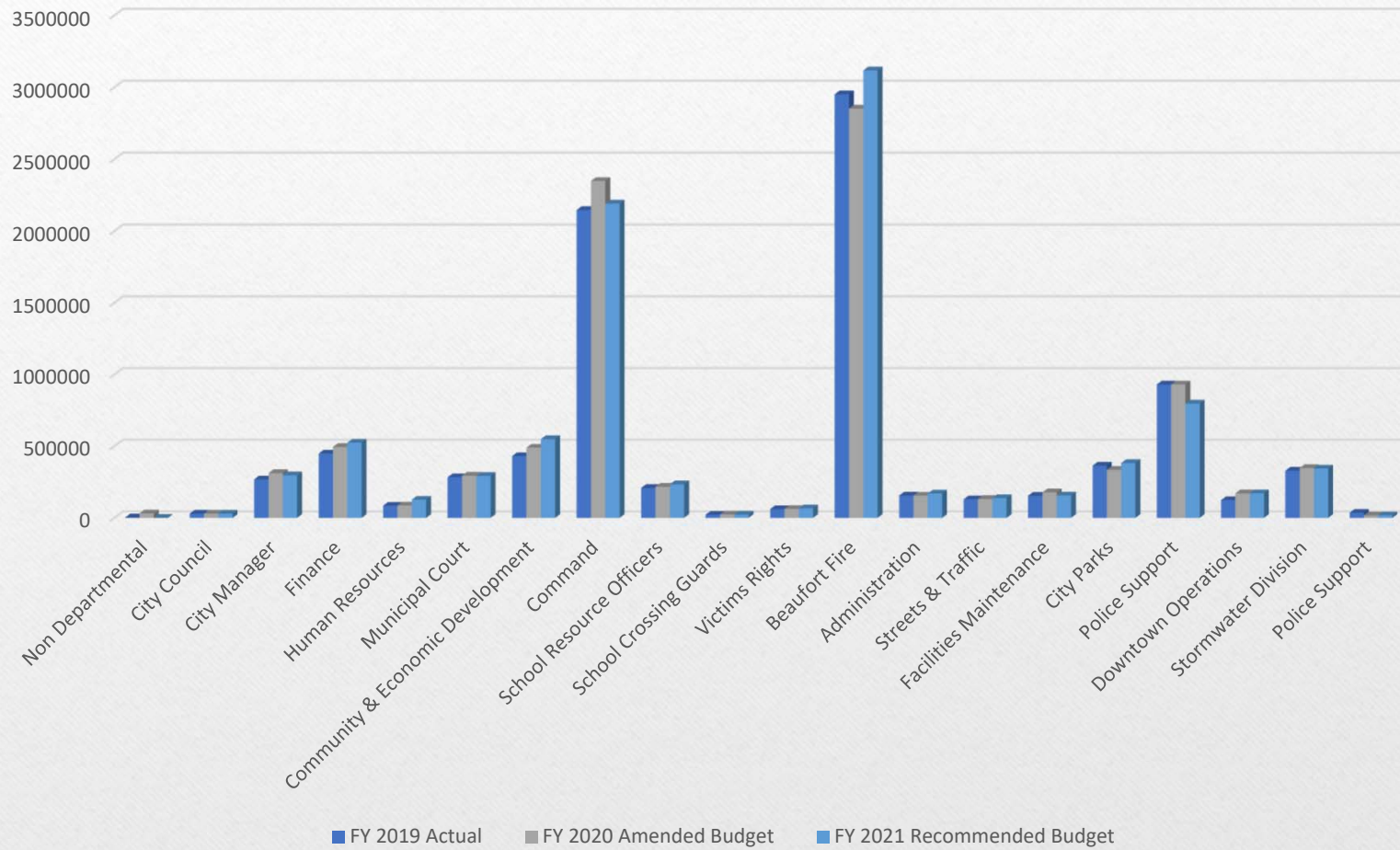
- During FY 2020 State Accommodations budget included \$150,000 for capital designated for the repairs to the Arsenal building windows and renovation of the bathroom under a grant funded project. The project was completed, but because of revenue shortfalls in the State Accommodations tax collections resulting from COVID 19, the \$150,000 grant match was instead funded by the General Fund's committed fund balance for capital projects. The FY 2021 recommended budget includes a capital reimbursement back to the General Fund to replenish the committed fund balance for capital projects as originally intended in the FY 2020 adopted budget.



Salaries and Benefits – All Funds

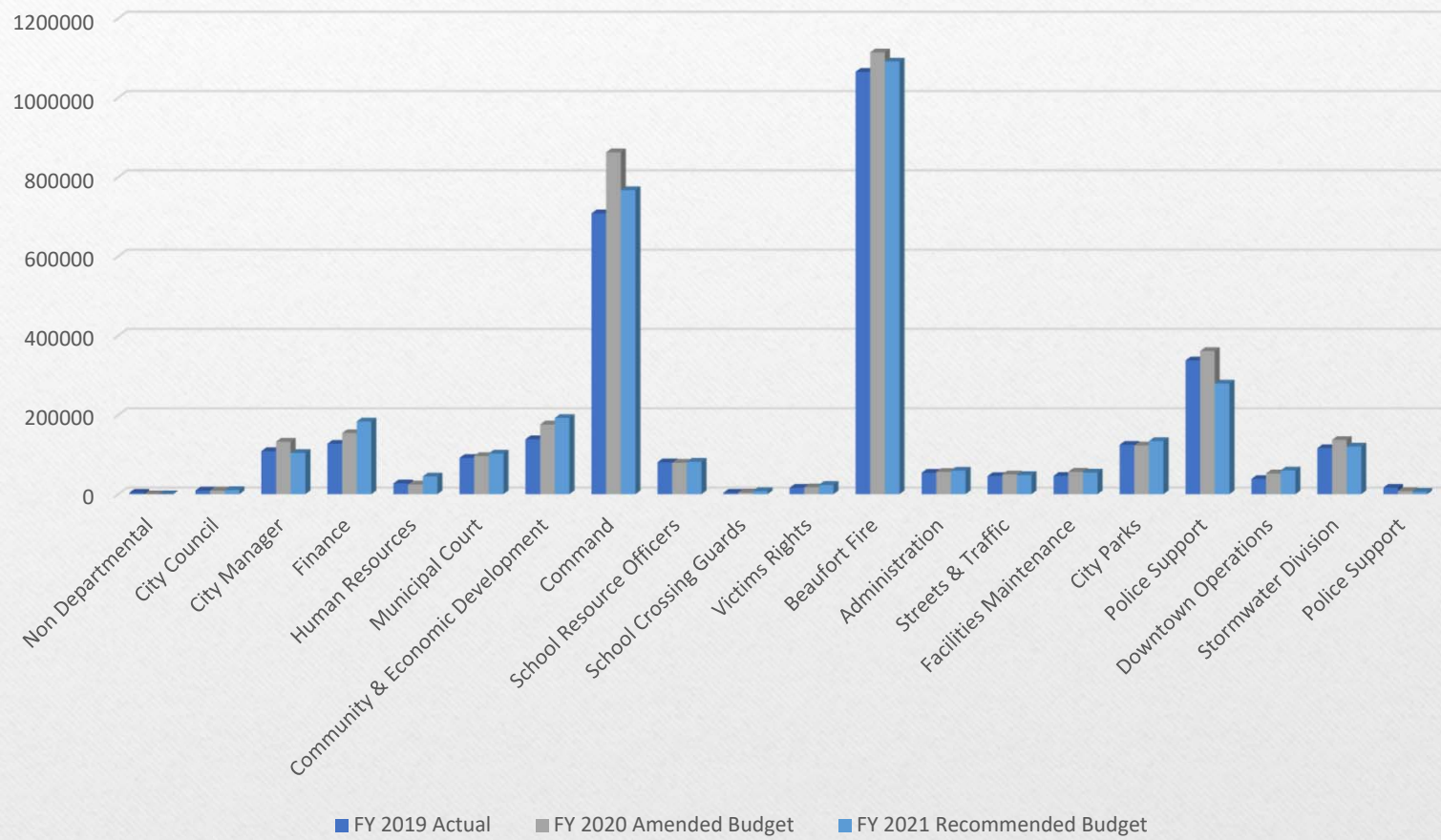
Salaries By Department

	<u>FY 2019 Actual</u>	<u>FY 2020 Amended Budget</u>	<u>FY 2021 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>	<u>% Change</u>
<u>General Fund</u>					
Non Departmental	\$ 2,750	\$ 30,774	\$ -	\$ (30,774)	-100.00%
City Council	29,371	29,751	29,751	-	0.00%
City Manager	268,649	312,352	296,876	(15,476)	-4.95%
Finance	448,779	494,840	524,519	29,679	6.00%
Human Resources	85,043	86,433	127,201	40,768	47.17%
Municipal Court	283,610	294,285	293,226	(1,059)	-0.36%
Community & Economic Development	431,267	489,395	549,045	59,650	12.19%
Police					
Command	2,146,507	2,348,051	2,191,002	(157,049)	-6.69%
School Resource Officers	208,795	217,441	233,786	16,345	7.52%
School Crossing Guards	22,092	22,900	22,500	(400)	-1.75%
Victims Rights	61,218	62,815	66,585	3,770	6.00%
Beaufort Fire	2,951,195	2,852,115	3,116,967	264,852	9.29%
Public Works					
Administration	155,826	155,015	169,979	14,964	9.65%
Streets & Traffic	129,410	131,684	138,139	6,455	4.90%
Facilities Maintenance	154,532	177,742	156,123	(21,619)	-12.16%
Total General Fund Salaries	<u>\$ 7,379,043</u>	<u>\$ 7,705,595</u>	<u>\$ 7,915,699</u>	<u>\$ 210,104</u>	<u>2.73%</u>
<u>Parks & Tourism Fund</u>					
City Parks	\$ 364,046	\$ 335,244	\$ 382,383	\$ 47,139	14.1%
Police Support	930,526	931,265	797,144	(134,121)	-14.4%
Downtown Operations	123,772	171,195	171,582	387	0.2%
Total Parks & Tourims	<u>\$ 1,418,344</u>	<u>\$ 1,437,704</u>	<u>\$ 1,351,109</u>	<u>\$ (86,595)</u>	<u>-6.0%</u>
<u>Stormwater Fund</u>					
Stormwater Division	<u>\$ 329,149</u>	<u>\$ 347,349</u>	<u>\$ 344,057</u>	<u>\$ (3,292)</u>	<u>-0.9%</u>
<u>State Accommodations Fund</u>					
Police Support	<u>\$ 35,704</u>	<u>\$ 16,618</u>	<u>\$ 17,723</u>	<u>\$ 1,105</u>	<u>6.7%</u>
Total Salaries	<u>\$ 9,162,240</u>	<u>\$ 9,507,266</u>	<u>\$ 9,628,588</u>	<u>\$ 121,322</u>	<u>1.3%</u>



Benefits By Department

	<u>FY 2019 Actual</u>	<u>FY 2020 Amended Budget</u>	<u>FY 2021 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>	<u>% Change</u>
<u>General Fund</u>					
Non Departmental	\$ 3,784	\$ -	\$ -	\$ -	0.00%
City Council	9,106	9,180	10,413	1,232	13.42%
City Manager	108,546	132,409	103,907	(28,503)	-21.53%
Finance	127,158	153,971	183,582	29,611	19.23%
Human Resources	27,147	24,714	44,520	19,806	80.14%
Municipal Court	91,287	96,266	102,629	6,363	6.61%
Community & Economic Development	138,411	175,720	192,166	16,446	9.36%
Police					
Command	708,159	862,144	766,851	(95,293)	-11.05%
School Resource Officers	80,506	79,313	81,825	2,512	3.17%
School Crossing Guards	3,790	4,133	7,875	3,742	90.56%
Victims Rights	16,098	17,118	23,305	6,187	36.14%
Beaufort Fire	1,065,104	1,114,251	1,090,938	(23,313)	-2.09%
Public Works					
Administration	53,866	56,052	59,493	3,441	6.14%
Streets & Traffic	45,698	49,727	48,349	(1,378)	-2.77%
Facilities Maintenance	46,149	56,438	54,643	(1,795)	-3.18%
Total General Fund Salaries	<u>\$ 2,524,808</u>	<u>\$ 2,831,434</u>	<u>\$ 2,770,495</u>	<u>\$ (60,939)</u>	<u>-2.15%</u>
<u>Parks & Tourism Fund</u>					
City Parks	\$ 124,622	\$ 123,120	\$ 133,834	\$ 10,714	8.7%
Police Support	337,262	361,047	279,000	(82,047)	-22.7%
Downtown Operations	38,353	52,236	60,054	7,818	15.0%
Total Parks & Tourims	<u>\$ 500,236</u>	<u>\$ 536,403</u>	<u>\$ 472,888</u>	<u>\$ (63,515)</u>	<u>-11.8%</u>
<u>Stormwater Fund</u>					
Stormwater Division	<u>\$ 116,081</u>	<u>\$ 136,791</u>	<u>\$ 120,420</u>	<u>\$ (16,371)</u>	<u>-12.0%</u>
<u>State Accommodations Fund</u>					
Police Support	<u>\$ 16,376</u>	<u>\$ 7,952</u>	<u>\$ 6,203</u>	<u>\$ (1,749)</u>	<u>-22.0%</u>
Total Benefits	<u>\$ 3,157,502</u>	<u>\$ 3,512,580</u>	<u>\$ 3,370,006</u>	<u>\$ (142,574)</u>	⁵¹ <u>-4.1%</u>



Full-Time Equivalents per Fund with Comparisons

	FY 2019 Actual FTE's	FY 2020 Adopted FTE's	FY 2021 Recommended FTE's	Increase (Decrease) from Prior Year
<u>General Fund</u>				
City Council	5.0	5.0	5.0	-
City Manager	4.0	4.0	2.5	(1.5)
Finance	7.0	8.0	8.0	-
Human Resources	1.5	2.0	2.5	0.5
Municipal Court	7.0	6.0	6.0	-
Community & Economic Development	8.0	8.0	9.0	1.0
Police				
Command	39.0	39.0	39.0	-
School Resource Officers	3.0	4.0	4.0	-
School Crossing Guards	4.0	3.0	3.0	-
Victims Rights	1.0	1.0	1.0	-
Beaufort Fire	56.0	56.5	56.5	-
Public Works				
Administration	6.0	6.0	5.0	(1.0)
Streets & Traffic	4.0	3.0	3.0	-
Facilities Maintenance	4.5	4.0	4.0	-
Total General Fund Salaries	<u>150.0</u>	<u>149.5</u>	<u>148.5</u>	<u>(1.0)</u>
<u>Parks & Tourism Fund</u>				
City Parks	8.0	8.0	9.0	1.0
Police Support	21.7	21.7	13.0	(8.7)
Downtown Operations	2.0	2.0	3.0	1.0
Total Parks & Tourims	<u>31.7</u>	<u>31.7</u>	<u>25.0</u>	<u>(6.7)</u>
<u>Stormwater Fund</u>				
Stormwater Division	<u>5.0</u>	<u>6.0</u>	<u>6.0</u>	<u>-</u>
<u>State Accommodations Fund</u>				
Police Support	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>-</u>
Total Salaries	<u>187.0</u>	<u>187.5</u>	<u>179.8</u>	<u>(7.7)</u>



CAPITAL PROJECTS AND CAPITAL IMPROVEMENT PLAN



CAPITAL PROJECTS FUND AND RECOMMENDED CAPITAL IMPROVEMENT PLAN

Stormwater Projects are included in the Capital Projects Fund if the project spans longer than one year to complete.

- With the Stormwater Revenue Bond issuance during the 1st Quarter 2019, and the engineering analysis completed Mossy Oaks Basin I and Basin II along with several other smaller areas that are more highly affected by flooding are being addressed within the Capital Projects Fund.

RECOMMENDED FY 2021 CAPITAL PROJECTS

- The City has four active grant awards that impact City Infrastructure. These projects are included in the active Capital Projects list.
 - A Community Development Block Grant to address the Stormwater Infrastructure needs related to the Mossy Oaks Basin 2 area.
 - ❑ \$1M grant has been awarded, and a portion of the \$6M GO Bonds that was secured in FY 2019 will be used to fund the Mossy Oaks Basin 2.

- A Rural Infrastructure Authority Grant for \$500K was secured to assist in funding Mossy Oaks Basin I capital project.
- Various other stormwater projects are underway that are being funded by the bond funding secured in FY 2019 though grant funding has been applied for to assist with leveraging the bond funds as match.
 - ✓ Allison Road project
 - ✓ Johnny Morrall Pipe Outfall
 - ✓ Lafayette Street Outfall
- A Land and Water Conservation Fund Grant for infrastructure renovations at Waterfront Park (relieving platform) and other Park needs.
 - ❑ Grant award of \$500K has been secured and matching funds from Fund Balance committed for those purposes was secured in prior year.
 - ❑ The relieving platform component of the project was completed in FY 2020. Phase II of the project is underway and set for completion in mid FY 2021.

Active Capital Projects for FY 2021

Description	BUDGET		Active Capital Project and Fully Funded	FUNDING													
	Estimated Original Budget	Modified Budget		Grant Funding	Bond Funds	Partners	Committed Fund Balance	TIF II	Unfunded								
City Facilities																	
Carnegie Building	\$	188,500	\$	188,500	No ¹					\$	188,500						
<u>Stormwater</u>																	
Mossy Oaks Basin 1	\$	3,029,150	\$	3,029,150	Yes	500,000	2,529,150				-						
Mossy Oaks Basin 2		1,709,255		2,898,782	Yes	1,000,000	1,852,827	45,955			-						
Lafayette Street Outfall - Engineering Only		16,714		16,714	Yes		16,714				-						
Calhoun Street Drainage - Engineering Only		192,751		192,751	Yes		192,751				-						
Kings Ridge Outfall - Engineering Only		19,061		19,061	Yes		19,061				-						
Hay Street Outfall - Engineering Only		39,415		39,415	Yes		39,415				-						
<u>Streets</u>																	
SC 170 Sidewalk Extension - Engineering Only		25,169		25,169	Yes					25,169	-						
Whitehall Boardwalk		300,000		300,000	Yes			300,000			-						
Allison Road		1,930,536		1,500,000	Yes	1,000,000	425,000	75,000									
<u>Marina & Parks</u>																	
Waterfront Park Foundation and Playground Equipment	\$	620,000		1,000,000	Yes	500,000		500,000			-						
	\$	7,882,051	\$	9,021,042		\$	3,000,000	\$	5,074,918	\$	420,955	\$	500,000	\$	25,169	\$	188,500

¹ Historic Preservation grant has been applied for. The grant does not require a match from City resources. Upon notification of award, this project will advance in FY 2021.

Capital Improvement Plan

The Capital Improvement Plan contains projects that the City would like to complete within the next three (3) to five (5) years depending on funding. The City policy is to keep projects on the Capital Improvement Plan until the project is fully funded.

Capital Improvement Plan: FY 2021 through FY 2025

Project		Budget						
Item	Description	Estimated Original Budget	Modified Budget	Priority Tier Level				
City Facility Projects				Tier 1: 1 - 2 years	Tier 2: 2 - 3 years	Tier 3: 3 - 4 years	Tier 4: 4+ years	Comments
1	Carnegie Window Refurshing	\$ 40,000	\$ 188,000	\$ -				Contingent on Grant Funding
2	Carteret Street Facility Improvements	\$ 200,000	\$ 230,000	\$ 230,000				Contingent on Funding from Partners
3	Upfit to 2nd Floor Police Department - pending tenant	\$ 400,000	\$ 400,000				\$ 400,000	Contingent on Tenant funding
4	Arsenal Walls Major Repair - can be phased	\$ 670,000	\$ 670,000		\$ 670,000			Contingent on Grant Funding
5	Land Purchase for Parking at Municipal Complex	\$ 300,000	\$ 300,000	\$ 300,000				Possible TIF II Funding
Street Resurfacing Projects				Tier 1: 1 - 2 years	Tier 2: 2 - 3 years	Tier 3: 3 - 4 years	Tier 4: 4+ years	
FY 2019 CTC funded Projects								
6	Twin Lakes	\$ 300,000	\$ 125,000	\$ 25,000				All contingent on CTC Funding
7	East Rd	\$ 85,000	\$ 85,000		\$ -			All contingent on CTC Funding
8	Commerce Park - Schwatz Rd	\$ 250,000	\$ 230,000	\$ 50,000				All contingent on CTC Funding
9	Commerce Park - Schork Rd	\$ 250,000	\$ 295,000	\$ 50,000				All contingent on CTC Funding

Capital Improvement Plan: FY 2021 through FY 2025 (cont'd)

Drainage Projects				Tier 1: 1 - 2 years	Tier 2: 2 - 3 years	Tier 3: 3 - 4 years	Tier 4: 4+ years	
10	Broad Street Drainage Ditch	\$ 182,048	\$ 1,197,923		\$ 1,197,923			Continue to evaluate and leverage resourcess as best as we can to address
11	Battery Shores Drainage - In house project - remove	\$ 158,040	\$ 85,000	\$ 85,000				
12	Kings Ridge Outfall	\$ 780,634	\$ 120,000		\$ 120,000			
13	LaFayette Drainage	\$ 125,000	\$ 450,000	\$ 450,000				CDBG Grant Funding Opportunity
14	Johnny Morral Pipe Outfall	\$ 1,023,804	\$ 1,752,738	\$ 452,738				CDBG Grant Funding Opportunity
Drainage Projects				Tier 1: 1 - 2 years	Tier 2: 2 - 3 years	Tier 3: 3 - 4 years	Tier 4: 4+ years	
15	Cottage Farm Drainage	\$ 29,550	\$ 28,000	\$ 28,000				Small in house project
16	Hay Street Outfall	\$ 515,241	\$ 515,241		\$ 515,241			Continue to evaluate and leverage resourcess as best as we can to address
17	The Point	\$ 3,969,156	\$ 3,969,156			\$ 3,969,156		

Capital Improvement Plan: FY 2021 through FY 2025 (cont'd)

Other Projects				Tier 1: 1 - 2 years	Tier 2: 2 - 3 years	Tier 3: 3 - 4 years	Tier 4: 4+ years	
19	Calhoun Streetscape & Drainage	\$ 3,000,000	\$ 3,000,000		\$ 3,000,000			Separate Drainage from Streetscape if possible
20	Parallel Road Ext to Hogarth	\$ 8,000,000	\$ 8,000,000				\$ 8,000,000	Start talking to County/Partnerships, and developing preliminary engineering plans
21	Duke Street - Phase III	\$ 650,000	\$ 650,000		\$ 150,000			Contingent on Grant Funding through CDBG
22	Green Street Streetscape - Phase I	\$ 650,000	\$ 650,000			\$ 150,000		Contingent on Grant Funding through CDBG
23	Green Street Streetscape - Phase II	\$ 650,000	\$ 650,000				\$ 150,000	Contingent on Grant Funding through CDBG
24	Green Street Streetscape - Phase III	\$ 650,000	\$ 650,000				\$ 150,000	Contingent on Grant Funding through CDBG
25	Washington Street Park - Park Improvements (Pavilion Only)	\$ 100,000	\$ 100,000		\$ 100,000			Contingent on Grant Funding
26	Marina Bathrooms and Store	\$ 1,500,000	\$ 500,000			\$ 500,000		
27	Spanish Moss Trail Extension to Downtown - needs more discussion	\$ 200,000	\$ 200,000		\$ 200,000			Simplify the project - Sharrows from Ribaut to Venture
28	Baby Boundary - in discussion							Simplify the project - Fresh look without impeding Evacuation efforts
29	Parking Garage	\$ 8,000,000	\$ 8,000,000	Study and evaluation of need			\$ 8,000,000	Determine if garage is needed downtown in next 2 years



CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO: CITY COUNCIL **DATE:** 5/13/2020
FROM: City Manager, Bill Prokop and Kathy Todd, Finance Director
AGENDA ITEM
TITLE: Accommodations Tax Grant (ATAX) Freeze and Consolidation
MEETING
DATE: 5/19/2020
DEPARTMENT: City Managers Office

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR: Discussion

REMARKS: