



News Release

For immediate release

Tuesday, April 29, 2014

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Beaufort considers budget needs against decreasing revenues for Fiscal Year 2015 starting July 1

Less money coming into the City of Beaufort coffers may mean less money being spent on things such as landscaping and maintaining parks, but the primary effort this spring will be to squeeze as much out of each dollar as possible, Beaufort City Manager Scott Dadson told City Council.

The proposed budget for Fiscal Year 2015 is \$167,557 less than the current year, which ends June 30. If adopted as presented, the FY2015 city budget would increase taxes on a Beaufort home valued at \$150,000 and occupied by the owner would increase by about \$32.

“We realized revenues in this budget year would not meet projections and we have held down spending where and when we could,” Dadson said. “This shortfall is caused by lackluster collections and payments to us in almost every major revenue source, and until we see an improvement in our revenues we must hold our expenses in check.”

Dadson points to a continuing revenue problem from Beaufort County’s reassessment of real property and the county’s tax collection rate. Further, a decrease in business licenses collected at a state level on behalf of the City, as well as state changes to the business license Industry Rate classifications, has led to a substantial decrease in revenues for Beaufort’s current fiscal year that are projected to continue.

“As a City, we have made good progress and I think most of us agree that Beaufort is better than it was five years ago, despite the recession,” Dadson said. “We want to stay on the same path -- but we realize that future budgets will be even harder to balance, leading to staffing and workload issues. We need to come together to work for a long-term solution to increase revenues so we can maintain services.

“The future is now and we need to make critical decisions to retain the integrity and momentum of the goals and mission we have established for our City,” he told the Council.

Key points of the FY15 Budget Proposal

Revenues: The effects of property reassessment and the decreased rate of property tax collections by Beaufort County result in the City of Beaufort anticipating a revenue shortfall from property taxes of approximately \$345,000.

This reduction in revenues is estimated to continue into the foreseeable future due to the decreasing value of overall real property in the City of Beaufort. This is happening despite new growth and investment in the city since 2009 -- the reassessment of property values wiped out those gains, Dadson said.

Expenditures: The total recommended expenditures for FY 15 are \$167,557 less than the current year and \$705,820 less in requested needs from city departments.

- There is no Cost of Living increase proposed in the new fiscal year.
- Dadson provided the City Council with each department's budget request, but because of revenue shortfalls, he didn't recommend those requests be filled.

"I support these requested departmental budget lines however, because of the uncertainty of revenues, have not recommended them to City Council in order to balance the budget. I have recommended a net decrease of \$430,950 in operational costs from what was requested by the departments. This is a net decrease in the FY14 operational budget of \$152,674."

- The proposed budget includes funds for capital expenditures that are necessary for the continuing needs of the Public Safety and Public Services departments. Dadson recommends that the committed fund balance held in reserve from the proceeds on the sale of the old ladder truck of \$281,590 be used along with securing lease-purchase financing to pay for the purchase of a new ladder truck for the Fire and Rescue Operations.

This capital transfer is \$232,000 less than requested by the departments.

- Other major capital improvements continuing from FY2014 include stormwater runoff projects; design and construction of a new fire station in Mossy Oaks; and contingency funds for the Boundary Street changes being paid for by a U.S. Department of Transportation grant and local sales tax funds.
- The proposed Beaufort FY15 budget includes state and federal requirements such as higher workers' compensation premiums, state retirement contributions, and federally-mandated health care fees.

Additional meetings are scheduled for further review of the proposed budget:

May 13 -- Fire, Courts and Public Works Department Budget Presentations

May 27 -- Public Hearing on Budget and First Reading by Council on the FY2015 Budget

June 10 -- Second Reading of the FY2015 Budget.

For more information, visit www.cityofbeaufort.org.

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