

City of Beaufort, South Carolina



Annual Adopted Budget and Capital Improvement Plan Fiscal Year 2020-2021



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William A. Prokop
City Manager



City Council Members
Billy Keyserling, Mayor
Mike McFee, Mayor Pro Tem
Philip Cromer
Stephen Murray
Nan Sutton

CITY OF BEAUFORT

1911 Boundary Street Beaufort, SC 29902

City Manager's Budget Message

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 a short fall of 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. 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 \$ 22,921,263 across all funds which is \$724,549 less than last year's original budget of \$23,645,812 a decrease of 3.2%.

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.

Respectfully submitted,

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

William A. Prokop
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Beaufort
South Carolina**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Beaufort, South Carolina, for its Annual Budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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CITY OF BEAUFORT AT A GLANCE

The City of Beaufort, founded in 1711 and incorporated in 1913, is located on the eastern coast of Beaufort County, South Carolina, 70 miles south of Charleston, South Carolina and 45 miles north of Savannah, Georgia and encompasses approximately 18 square miles. The 2014 population of the City according to the U.S. Census update by the Lowcountry Council of Governments was 13,130.



Local History

The City was chartered in 1711 as the second-oldest settlement in South Carolina and named after Henry Somerset who was the 2nd Duke of Beaufort. The City was laid out with 397 lots and two focal points, one on the bay and the other at the intersection of Carteret and Craven Streets, where each corner was reserved for public use.

In the mid to late antebellum period, the rise of Carolina Gold rice and Sea Island cotton brought enormous wealth to Beaufort and the surrounding plantations. Beaufort was one of the wealthiest cities in the United State prior to the Civil War and was often considered to the “Newport” of the South. Although Charleston and Columbia were the leading cities in the State, much economic and political influence was reared by Beaufort.

The Civil War had a dramatic effect on Beaufort and it was one of the first communities in the South to be held in Union hands in November 1861. The Sea Island and the City of Beaufort were evacuated by the majority of the white inhabitants who abandoned their plantations, town houses and their slaves. The first school for freed slaves was established on nearby St. Helena Island in 1862 and would later be officially named Penn School. In addition to educational advancements, the City made some political ones as well. Robert Smalls, a native son and leading figure in post-war Beaufort would late become one of South Carolina’s first elected African-Americans to the United States Congress and remain a prominent civic leader in the State and in Beaufort until his death in 1915.

On January 1, 1863, the Emancipation Proclamation was read to the African-American population which was growing as refugees from nearby plantations made their way to town looking for shelter and work. These former slaves took part in the first efforts to assimilate freed blacks into the broadest society known as the Port Royal experiment, giving them access to educational opportunities and property ownership.

A hurricane in 1893 followed by a downtown fire in 1907 brought a decline to Beaufort's economy. Beaufort's economic recovery in the latter half of the 20th century can be contributed to three major influences: military investment, resort development, and downtown revitalization. Parris Island was selected as a permanent home for the U.S. Marine Corp recruiting station in 1917. A Marine Corp Air Station and U.S. Naval Hospital was established and constructed during World War II. New investment in the form of resort and lifestyle development on nearby Hilton Head Island and Fripp Island also contributed to the economy of Beaufort and the Lowcountry starting in the 1960s. The completion of a downtown waterfront park in place of abandoned docks, championed by then-Mayor Henry Chambers, spurred the redevelopment and reinvestment of adjacent Bay Street and downtown Beaufort.



Today, light manufacturing, military installations and tourism bring in new dollars to Beaufort. Retirees and young families, drawn by the climate, history, and the as-yet unspoiled beauty, are the new settlers who add to the intellectual and cultural life of the Sea Islands.

Government Profile

The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the Mayor and four other members. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. The Mayor and Council are elected at-large and serve four-year staggered terms.

The City provides a full range of services, including: police and fire protection, sanitation and recycling services, zoning, redevelopment, economic development and building, fire and code enforcement services, street and stormwater maintenance and up keep of City parks and open space.

Local Economy

Beaufort has several geographic areas of economic activity. The downtown area is the historical center of commerce and is now primarily focused towards tourists, who frequent the area year-round, but especially during the Spring and Fall peak season along with major festivals at Waterfront Park including the Water Festival held in July followed by the Shrimp Festival in October. The commercial growth along Boundary Street, Robert Smalls Parkway, and towards Lady's Island has significantly increased over the past several years.



The military presence in and around the community is one of the largest economic sectors in Beaufort. Beaufort's military bases employ thousands of jobs directly and indirectly related to base operations and pump millions of dollars into the local economy.

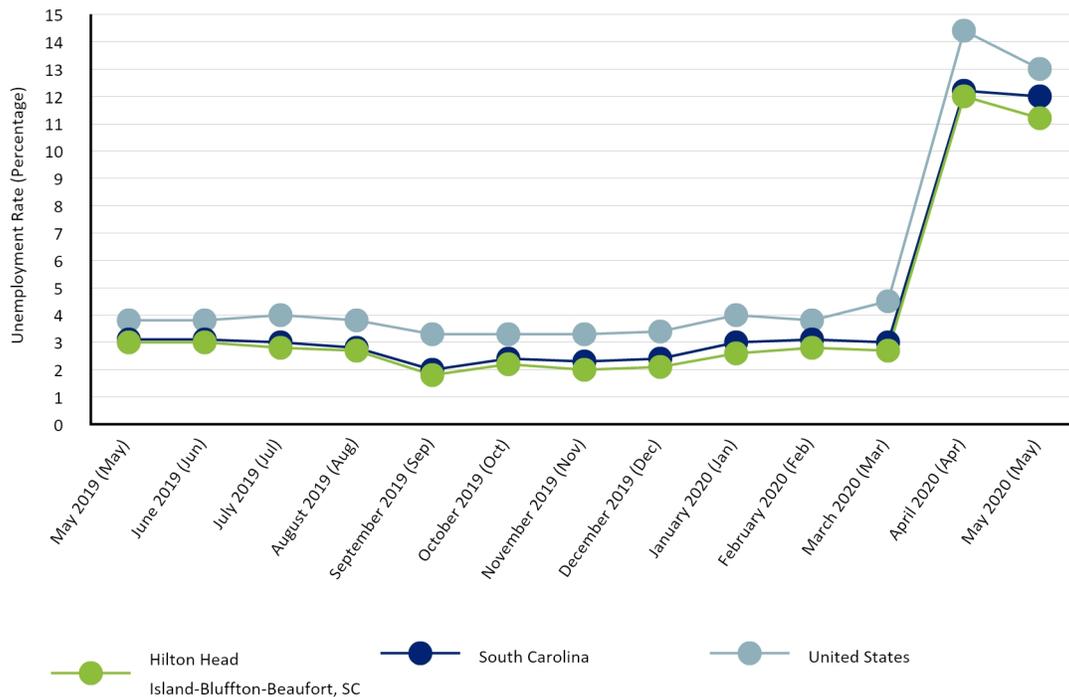
The tourism and hospitality industry is another major economic sector by bringing nearly two million visitors a year to Beaufort and the surrounding Sea Islands. The primary attractions of these visitors include recreation, history, local arts and beach vacations such as Hunting Island State Park. Tourists will continue to visit now that Beaufort was recently named on the list of the 2019 South's Best Small Towns by Southern Living Magazine and the list of 50 Beautiful Small Towns in America by US News & World Report. Beaufort was also acknowledged by Coastal Living Magazine as one of 50 Secret Places to Visit Now along with on the list of 5 Surprise Romantic Getaways in the US by CBS News.

The following is a list of principal property taxpayers within the City of Beaufort.

Taxpayer	2019		
	Taxable Assessed Value	Rank	% of Total City Net Assessed Value
Wal-Mart Real Estate BusinessTrust	\$ 2,042,390	1	2.13%
USPG Portfolio Eight, LLC	1,282,430	2	1.34%
Ribaut Holdings, LLC	1,072,090	3	1.12%
303 Associates, LLC	1,017,690	4	1.06%
Beaufort Plaza, Inc.	869,960	5	0.91%
Hotel Beaufort LP	618,660	6	0.65%
HMV Hotels LLC	563,480	7	0.59%
Cross Creek Apartments Holdings. LLC	555,710	8	0.58%
Lowes Home Center, Inc.	503,050	9	0.52%
Beaufort Senior Living Properties LLC	472,200	10	0.49%

The area's unemployment rate continues to be lower than the State and National average based on the following chart from South Carolina Department of Employment and Workforce.

Monthly Unemployment Rate (Unadjusted)
Past 13 Months



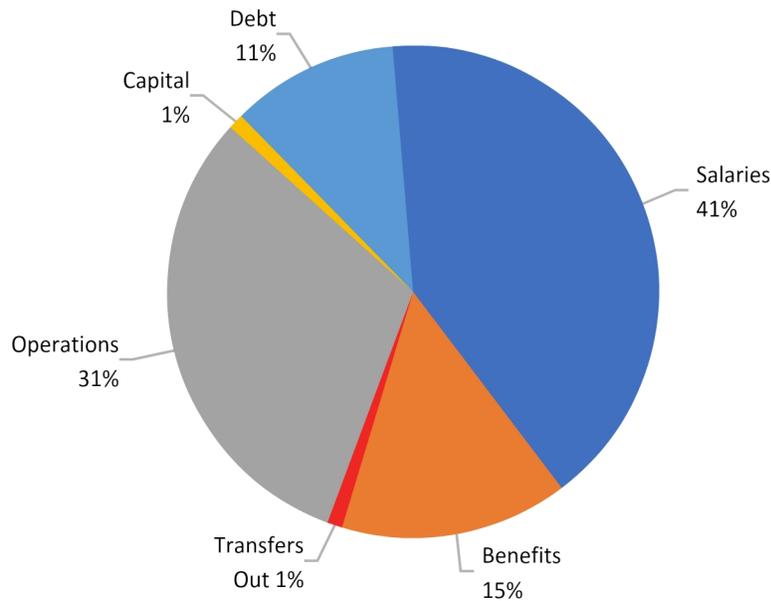
ORGANIZATION CHART



CONSOLIDATED FY21 ADOPTED BUDGET SUMMARY

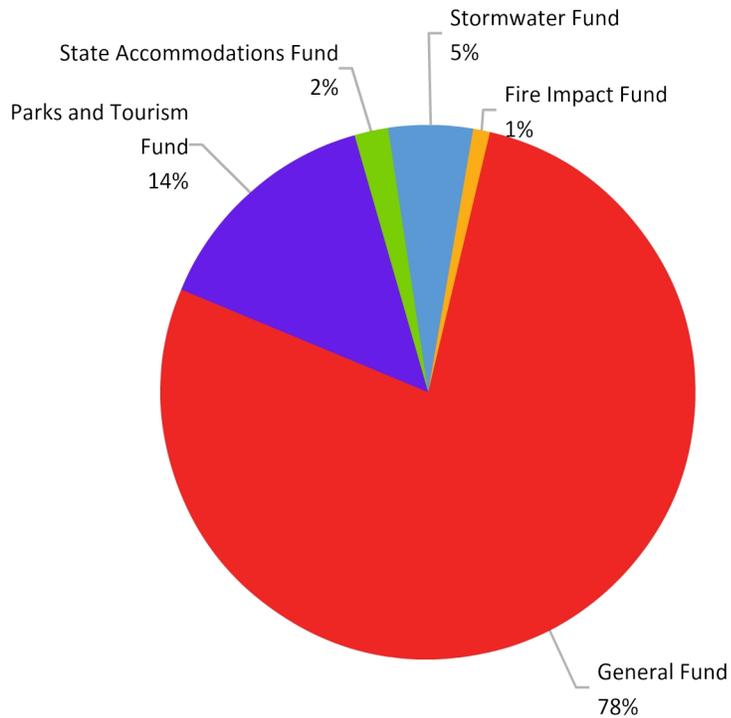
	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Fire Impact Fund	Redevelopment Fund	Total
Revenues	18,014,415	35,000	3,201,100	1,100,000	471,750	119,363	12,400	22,954,028
Salaries	7,846,997	—	1,341,030	302,083	17,723	—	—	9,507,833
Benefits	2,883,949	—	548,336	111,771	6,203	—	—	3,550,259
Operating	5,587,098	—	992,636	177,618	350,524	—	—	7,107,876
Capital	24,930	—	10,000	64,000	50,000	70,400	—	219,330
Debt	1,671,441	—	309,098	508,126	—	—	—	2,488,665
Transfers Out	—	—	—	—	47,300	—	—	47,300
Total Expenditures	18,014,415	—	3,201,100	1,163,598	471,750	70,400	—	22,921,263
Net (Deficit) Surplus	—	35,000	—	(63,598)	—	48,963	12,400	32,765

Percentage of Expenditures covered by Revenues



CONSOLIDATED REVENUE BUDGET SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
General Fund	\$ 17,654,734	\$ 17,850,389	\$ 18,014,415	\$ 164,026	0.92 %
Special Revenue Funds					
Parks and Tourism Fund	3,834,581	3,554,826	3,201,100	(353,726)	(9.95)%
State Accommodations Fund	540,401	550,000	471,750	(78,250)	(14.23)%
Stormwater Fund	7,092,475	1,100,000	1,100,000	—	— %
TIF II Fund	600,146	90,000	35,000	(55,000)	(61.11)%
Fire Impact Fund	—	—	119,363	119,363	100 %
Redevelopment Fund	12,381	12,400	12,400	—	— %
	<u>\$ 29,734,718</u>	<u>\$ 23,157,615</u>	<u>\$ 22,954,028</u>	<u>\$ (203,587)</u>	<u>(0.88)%</u>



FY21 CONSOLIDATED REVENUE BUDGET HIGHLIGHTS

- Property Tax estimates:
 - Taxable Assessed Value (TY 2020 estimated) = \$96,098,425
 - This represents an overall project 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 1.5 mils, debt mil is increased by 1.03 mil to cover debt payments of the general fund, continuation of the reserve mils at 2 mils to fund future infrastructure repairs and an 1 emergency mil to recover lost revenues due to the economic impact from COVID-19.
 - 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 adopted budget contains a 1.03 debt mil increase, no increase to the reserve mil and a new 1 emergency mil.
- Reimbursement of the SAFER grant for the Fire Department comes to completion in December 2020. One half year reimbursement to the General Fund intergovernmental revenue totals \$169,190. This is a 65% decrease over the previous year.
 - Reimbursement rate for the first half of FY 2021 remains at 35%.
- With City Council's approval of the Fire Impact Fee, a new fund is included in this years adopted budget.
 - Fees go into affect on January 1, 2021 and are estimated to generate \$119,363 and will be used to offset the Fire Department Capital Infrastructure in accordance with they approved Ordinance.
- Overall revenue growth of the General Fund is estimated at 0.92% over FY 2020 or \$164,026.
- The impacts of COVID-19 are anticipated to affect the local hospitality and accommodations taxes reported in the Parks & Tourism fund the most. These funds are estimated to decrease by 9.95% or \$353,726 over FY2020.
- Stormwater revenues are estimated to remain flat for FY 2021.

CONSOLIDATED EXPENDITURE BUDGET SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
General Fund					
Salaries	\$ 7,769,370	\$ 7,705,593	\$ 7,846,997	\$ 141,404	1.84 %
Benefits	2,151,041	2,831,436	2,883,949	52,513	1.85 %
Operations	3,285,837	5,487,769	5,587,098	99,329	1.81 %
Capital	2,113,645	165,000	24,930	(140,070)	(84.89%)
Debt	1,822,869	1,927,127	1,671,441	(255,686)	(13.27)%
Transfers Out	1,035,102	—	—	—	— %
Total General Fund	\$ 18,177,864	\$ 18,116,925	\$ 18,014,415	\$ (102,510)	(0.57)%
Parks and Tourism Fund					
Salaries	\$ 1,418,344	\$ 1,437,704	\$ 1,341,030	\$ (96,674)	(6.72)%
Benefits	500,237	536,403	548,336	11,933	2.22 %
Operations	1,153,727	1,166,216	992,636	(173,580)	(14.88)%
Capital	34,385	30,301	10,000	(20,301)	(67.00)%
Debt	309,098	357,674	309,098	(48,576)	(13.58)%
Transfers Out	—	105,070	—	(105,070)	100 %
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	\$ 302,083	\$ (45,266)	(13.03)%
Benefits	116,081	136,791	111,771	(25,020)	(18.29)%
Operations	274,008	448,411	177,618	(270,793)	(60.39)%
Capital	45,977	182,000	64,000	(118,000)	100 %
Debt	573,980	507,909	508,126	217	0.04 %
Transfers Out	305,431	—	—	—	— %
Total Stormwater Fund	\$ 1,644,626	\$ 1,622,460	\$ 1,163,598	\$ (458,862)	(28.28)%
State Accommodations Fund					
Salaries	\$ 35,704	\$ 16,618	\$ 17,723	\$ 1,105	6.65 %
Benefits	23,976	7,952	6,203	(1,749)	(21.99)%
Operations	425,112	328,930	350,524	21,594	6.56 %
Capital	—	150,000	50,000	(100,000)	100 %
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)%
TIF II Fund					
Capital	\$ 105,900	\$ —	\$ —	\$ —	(100)%
Transfers Out	2,387,423	350,491	—	(350,491)	(100)%
Total TIF II Fund	\$ 2,493,323	\$ 350,491	\$ —	\$ (350,491)	(100)%
Fire Impact Fund					
Capital	—	—	70,400	70,400	100 %
Redevelopment Fund					
Operations	\$ 161,769	\$ 12,400	\$ —	\$ (12,400)	(100)%
Capital	31,203	—	—	—	— %
Transfers Out	32,083	—	—	—	— %
Total Redevelopment Fund	\$ 225,055	\$ 12,400	\$ —	\$ (12,400)	(100)%
Total All Funds	\$ 26,492,135	\$ 24,290,644	\$ 22,921,263	\$ (1,369,381)	(5.64)%

FY21 CONSOLIDATED EXPENDITURE BUDGET HIGHLIGHTS

Salaries and Benefits

- Vacant positions frozen.
- 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 2.11%, Parks and Tourism salaries and benefits decreased 7.60% and Stormwater salaries and benefits decreased 14.52%.

Operations

- Overall decreased of 3.59%. General Fund increased 1.92%, Parks and Tourism decreased 8.26%, Stormwater decreased 60.39%, and State Accommodations Tax increased 1.31% primarily due to decreased revenues and a shift of basic operational cost, and other liability insurance increases.

Capital

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

Debt

- The only increase in debt is from normal debt payments required for FY 2021. There is no new debt included in the adopted budget.

BUDGET ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR THE CITY OF BEAUFORT FOR FISCAL YEAR BEGINNING JULY 1, 2020 AND ENDING JUNE 30, 2021; TO PROVIDE FOR EXECUTION OF AND TO PUT INTO EFFECT THE CONSOLIDATED BUDGET; AND TO PROVIDE BUDGETARY CONTROL OF THE CITY'S FISCAL AFFAIRS

WHEREAS, pursuant to the provisions of the laws of the State of South Carolina, the City Manager is required to submit to the City Council a budget for the year beginning July 1, 2020 and ending June 30, 2021, and

WHEREAS, the City Manager has prepared and presented such proposed budget to the Council, such budget available for inspection at the office of the Finance Director, and

WHEREAS, the consolidated budget contains the budgets of the General Fund, the Parks and Tourism Fund, the Stormwater Utility Fund, the State Accommodations Fund, the new authorized Fire Impact Fund and the Redevelopment Fund.

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Beaufort, SC, in Council duly assembled, and by the authority of the same to provide for the levy of tax for corporate City of Beaufort for the fiscal year beginning July 1, 2020 and ending June 30, 2021, to make appropriations for said purposes, and to provide for budgetary control of the City's fiscal affairs.

SECTION 1. TAX LEVY

The City Council of Beaufort, SC hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance. Further, that the City Council of Beaufort, SC hereby establishes the millage rates as detailed in Section 2 of this Ordinance. However, the City Council of Beaufort, SC reserves the right to modify these millage rates by resolution at its September 8, 2020 meeting.

SECTION 2. MILLAGE

The Beaufort County Auditor is hereby authorized and directed to levy the Fiscal Year 2020 - 2021 a tax of 79.3 mills on the dollar of assessed value of property within the City limits, in accordance with the laws of South Carolina. These taxes shall be collected by the Beaufort County Treasurer, as provided by law and distributed in accordance with the provisions of this Ordinance and subsequent appropriations hereafter passed by the City Council of Beaufort, SC.

City Operations	56.30
City Debt Service	20.00
City Reserve Mil	2.00
Emergency Mil	1.00

SECTION 3. CITY OPERATIONS APPROPRIATION

An amount of \$22,921,263 is appropriated to the City of Beaufort to fund City Operations as follows:

	<u>Appropriation</u>
<u>General Fund</u>	
Non Departmental	\$ 183,610
City Council	119,115
City Manager	469,329
Finance	870,021
Human Resources	258,558
Information Technology	459,064
Municipal Court	493,764
Community and Economic Development	943,412
Police Operations	4,059,531
School Resource Officer	333,309
School Crossing Guards	27,712
Victims Rights	84,424
Beaufort Fire	5,468,876
Public Works	363,433
Streets & Traffic	877,840
Facilities Maintenance	511,645
Solid Waste	735,715
Debt Service	1,755,057
Total General Fund	<u>\$ 18,014,415</u>
<u>Parks & Tourism Fund</u>	
Police Operations	\$ 1,157,456
Marina	77,775
Waterfront Park Operations	765,746
Parking	21,800
Other Parks & Tourism	765,282
Other Downtown Operations	313,897
Tourism Marketing	99,144
Total Parks & Tourism Fund	<u>\$ 3,201,100</u>
<u>Stormwater Utility Fund</u>	
Stormwater Utility Operations	\$ 655,472
Debt Service	508,126
Total Stormwater Utility Fund	<u>\$ 1,163,598</u>
<u>State Accommodations Fund</u>	
Police Operations	\$ 23,926
Other Tourism Operations	50,000
Designated Marketing Organization	183,800
ATAX Grant Awards	166,724
Transfers out	47,300
Total State Accommodations Fund	<u>\$ 471,750</u>
<u>Fire Impact Fund</u>	
	<u>\$ 70,400</u>
Total Appropriations	<u><u>\$ 22,921,263</u></u>

The detailed Operations budget containing line-item accounts by department is hereby adopted as part of this Ordinance.

Capital Project Appropriations shall not lapse at June 30, 2020, but each project appropriation shall remain in force for the life of the project and shall be closed out upon completion or other disposition of the project.

SECTION 4. CITY OPERATIONS REVENUE

The appropriations of the City Operations will be funded from the following revenue sources:

	<u>Revenues</u>
<u>General Fund</u>	
Property Taxes	\$ 7,754,527
Licenses & Permits	4,045,000
Intergovernmental Revenue	2,495,899
Franchise Fees	2,041,468
Charges for Services	1,404,771
Fines and Forfeitures	164,000
Miscellaneous	20,000
Interest	40,000
Transfers In	48,750
Total General Fund	<u>\$ 18,014,415</u>
<u>TIF II Fund</u>	
Interest	\$ 35,000
Total TIF II Fund	<u>\$ 35,000</u>
<u>Parks & Tourism Fund</u>	
Other Taxes	\$ 2,706,000
Charges for Services	490,100
Miscellaneous	\$ 5,000
Total Parks and Tourism Fund	<u>\$ 3,201,100</u>
<u>Stormwater Utility Fund</u>	
Charges for Services	\$ 1,100,000
Total Stormwater Utility Fund	<u>\$ 1,100,000</u>
<u>State Accommodations Fund</u>	
Other Taxes	\$ 471,750
Total State Accommodations Fund	<u>\$ 471,750</u>
<u>Fire Impact Fund</u>	
Fire Impact Fee	\$ 119,363
Total Fire Impact Fund	<u>\$ 119,363</u>
<u>Redevelopment Fund</u>	
Charges for Services	\$ 12,400
Total Redevelopment Fund	<u>\$ 12,400</u>
Total Revenues	<u><u>\$ 22,954,028</u></u>

SECTION 5. ESTABLISHMENT OF A MASTER FEE SCHEDULE

A Master Fee Schedule listing all fees charged by the City for Fiscal Year 2021 is included and incorporated for reference as Attachment A.

SECTION 5. CITY DEBT SERVICE APPROPRIATION

The revenue generated by an 20.0 mill levy is appropriated to defray the principal and interest payment on all City debt authorized to cover Capital expenditures.

SECTION 6. BUDGETARY ACCOUNT BREAKOUT

The foregoing City Operation appropriations have been detailed by the City Council into line-item accounts for each department. The detailed appropriation by account and budget narrative contained separately is hereby adopted as part of this Ordinance.

SECTION 7. FY 2019-2020 ENCUMBRANCES AND REMAINING GRANT AUTHORIZATIONS REAPPROPRIATED, RECORDING OF ASSIGNMENTS OF AMOUNTS APPROPRIATED FROM FUND BALANCE.

Encumbrances in each fund at June 30, 2020, representing obligations made against 2019-2020 appropriations outstanding as of that date, are hereby reappropriated and the appropriations shall be distributed to the budgetary accounts under which the expenditures will be charged during the FY 2020-2021 budget year as such obligations are satisfied, provided that such encumbrances, when taken together with the FY 2019-2020 expenditures, do not cause any fund to exceed its budgetary authorization for the year ended June 30, 2020.

For each fund in which a reappropriation occurs, the amount of funds appropriated hereunder shall be established in that fund as "Assigned Fund Balance for Encumbrances."

For each fund in which the balanced budget for FY 2020-2021 includes the use of fund balance; the amount of the fund balance so used shall be identified as "Assigned for Current Appropriations."

Appropriations for grants, the authorization for which extends beyond the end of the fiscal year, shall not lapse at the end of the fiscal year. Any such grant authorizations remaining at the end of a fiscal year shall be reappropriated pursuant to the conditions of the respective grant agreements.

Appropriations for active projects resulting in restrictions or commitments of fund balances shall be identified by appropriate titles in the financial statements of the affected funds.

SECTION 8. ADMINISTRATION OF THE BUDGET

The City Manager or his designee shall administer the budget and may authorize the transfer of appropriations within the allotments heretofore established and necessary to achieve the goals of the budget provided, however, that no such transfer shall be used to increase the total appropriation within any fund.

SECTION 9. AUTHORIZATION TO ENTER INTO CONTRACTS

The City Manager is authorized to enter into City contracts if the total contract amount is less than or equal to the budget line item or project budget as approved by City Council herein.

SECTION 10. ALLOCATION OF FUNDS

The City Manager is responsible for controlling the rate of expenditures of budgeted funds in order to assure that expenditures do not exceed funds on hand. To carry out this responsibility, the City Manager is authorized to allocate budgeted funds.

SECTION 11. MISCELLANEOUS RECEIPTS ABOVE ANTICIPATED REVENUES

Revenues other than, and/or in excess of, those addressed in Section 4 of this Ordinance, received by the City of Beaufort, which are in excess of the anticipated revenue as approved in the current budget, may be expended as directed by the revenue source, or for the express purposes for which the funds were generated without further approval of City Council. All such expenditures addressed in Section 3, in excess of \$10,000, shall be reported, in written form, to the City Council of Beaufort on a quarterly basis. Such

funds include sales of products, services, rents, contributions, donations, special events, insurance and similar recoveries.

SECTION 12. TRANSFERS VALIDATED

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2021, are hereby approved.

SECTION 13. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2020. Approved and adopted on the second and final reading this 23rd day of June 2020.


BILLY KEYSERLING, MAYOR

ATTEST:

IVETTE BURGESS, CITY CLERK

1ST Reading June 9, 2020

2nd Reading & Adoption June 23, 2020

Reviewed by: William Harvey III, City Attorney, June 3, 2020

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 in 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 presentation period and its affects on the economy and future revenue planning, the draft budget was 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 prior to the adoption of the budget, which takes place during the second reading.
- 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

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

January 2020:	Begin planning for City Council retreat, establishing agenda
February 18, 2020:	City Manager/Finance presentation at City Council Retreat on FY 2021 financial projection and Capital Improvement Plan
March 6, 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 9, 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 and Adoption of 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.

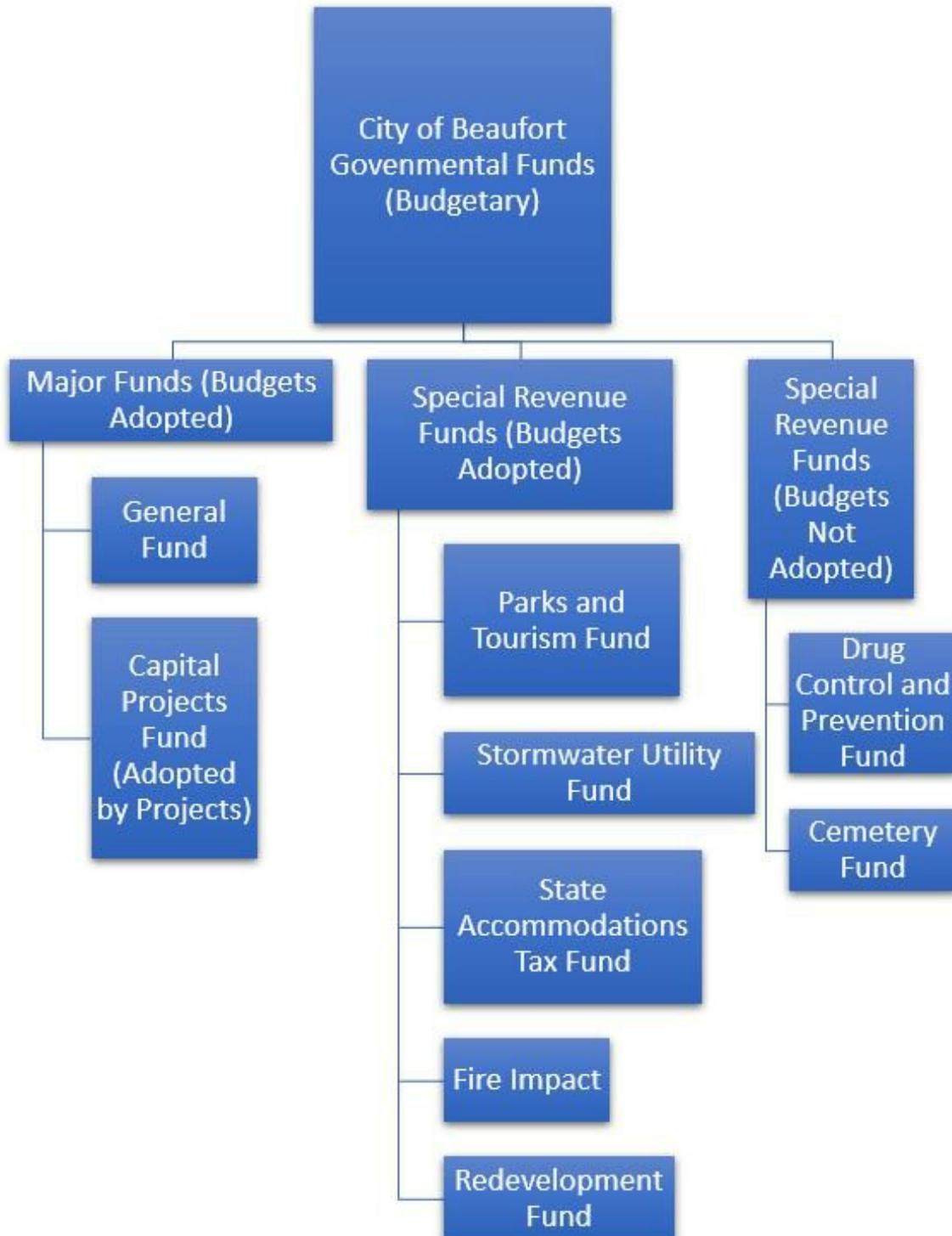
The accounting policies of the City of Beaufort conform to generally accepted accounting principles (GAAP) as applicable for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting principles. The City's budget is prepared using the modified accrual basis of accounting, which is a combination of cash basis and full accrual basis. It is also the same accounting basis used for the City's audited financial statements. Revenues are recognized as soon as they are considered measurable and available. Measurable means that the dollar value of the revenue is known or can be reasonably estimated. Available means that it is collectible within the current period or soon enough after the end of the current period to pay current expenditure. The City considers certain revenues related to the current period to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred and not based on cash flow. All expenditures incurred during the current period are accrued and are general cash flowed within the 60 days as well. All appropriations lapse at year end; however, encumbrances and amounts specifically designed to be carried forward (i.e., multi-year capital projects and approved grants) to the subsequent year are re-appropriated in the following year.

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.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. South Carolina law requires the City to adopt a balanced budget each year. A balanced budget is one in which budgeted funding sources equal budgeted expenditures.

The City adopted an investment policy in January 2019. The primary objectives are to conform with all applicable legal requirements, to adequately safeguard principal, to provide sufficient liquidity to meet all operating requirements, and to obtain a reasonable rate of return.

Fund Structure



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 and Tourism, Stormwater Utility, State Accommodations, Fire Impact 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 as all capital infrastructure will be incorporated through the adoption of the Capital Improvement Plan. 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 and Tourism Fund accounts** for the local hospitality and local accommodations taxes and other revenues that support parks and tourism activities and the related costs.
- 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.
- **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.
- The **Fire Impact Fund**, a new fund adopted in FY 2021, accounts for the collection of the Fire Impact Fee and use of these funds is restricted by City Ordinance for capital improvement related Fire services.
- **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.

The **Drug Control and Prevention Fund** and **Cemetery Fund** are other governmental funds that do not have an adopted budget, but appear on the City's audited Comprehensive Annual Financial Report.

Use of Funds by Departments

Department	General Fund	Capital Projects Fund	Parks and Tourism Fund	Stormwater Utility Fund	State Accommodations Tax Fund	Fire Impact Fund
Non departmental	X					
City Council	X					
City Manager	X					
Finance and Information Technology	X					
Human Resources	X					
Municipal Court	X					
Community and Economic Development	X					
Police	X		X		X	
Fire	X					X
Public Works	X	X	X	X		
Downtown Operations			X			



BUDGET FORMAT

The Operational Budgets are presented in accordance with State Law and the City's fiscal policies for the General Fund, Parks and Tourism Fund, Stormwater Fund, State Accommodations Fund, Fire Impact 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 principal 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 2019-2021 WHERE HISTORY, CHARM, AND BUSINESS THRIVE.

Goal 1: Encourage sustainable economic growth through new businesses and expansions to achieve diversification of the tax base and career paths into or beyond 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.

Rationale: *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.*

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 home buyers, 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.*

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 stormwater, flooding, rising sea levels and other natural disasters.

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.*



FUND BALANCE

Fund balance is generally defined as the difference between a fund’s assets and liabilities. It is intended to serve as a measure of the financial resources available in a governmental fund. It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks, ensure stable tax rates, maintain bond rating, and not jeopardize the continuation of necessary public services.

The City Council has set a minimum fund balance target of 28% of expenditures and recurring transfers. This 28% goal amounts to \$5,044,036 for FY 2021. The total estimated fund balance for the General Fund for the year beginning July 1, 2020 is \$7,375,000. No other fund balance policies exist.

A summary of the estimated changes in Fund Balance for FY 2021 follows:

	FY 18 Actual Fund Balance	FY19 Actual Fund Balance	Beginning Fund Balance Estimate	Revenues and Other Sources	Expenditures and Other Uses	Ending Fund Balance Estimate	\$ Change	% Change
General Fund	\$ 8,362,130	\$ 7,839,003	\$ 7,375,000	\$ 18,014,415	\$ 18,014,415	\$ 7,375,000	\$ —	— %
Special Revenue Funds:								
State Accommodations Fund	90,310	95,235	95,235	471,750	471,750	95,235	—	— %
TIF II Fund	6,669,289	4,776,113	4,426,315	35,000	—	4,461,315	35,000	0.8 %
Parks and Tourism Fund	309,098	727,888	562,415	3,201,100	3,201,100	562,415	—	— %
Stormwater Fund	396,527	5,844,376	5,375,000	1,100,000	1,163,598	5,311,402	(63,598)	(1.2)%
Fire Impact Fund	—	—	—	119,363	70,400	48,963	48,963	100 %
Redevelopment Fund	217,523	—	—	12,400	—	12,400	12,400	100 %
Total	\$ 16,044,877	\$ 19,282,615	\$ 17,833,965	\$ 22,954,028	\$ 22,921,263	\$ 17,866,730	\$ 32,765	0.2 %

DEBT

The City’s borrowing power is restricted by amended Article X, Section 14 of the South Carolina Constitution, which became effective on November 30, 1977. This Section provides that a local government unit cannot at any time have total general bonded debt outstanding (excluding certain lease and installment obligations) in any amount that exceeds 8% of its total assessed property value. Issuing debt commits the City’s revenues years into the future and may limit the City’s flexibility to respond to changing service priorities, revenue inflows or one-time expenditures.

The following is the City’s legal debt margin computation:

Total Assessed Value at June 30, 2019	\$ 110,500,550
Debt Limit - (8% of Total Assessed Value)	8,840,044
Current General Bonded Debt	<u>(6,900,308)</u>
Legal Debt Margin	<u><u>\$ 1,939,736</u></u>

The following is the City’s breakdown of budgeted principal and interest for FY21 debt payments:

	Principal	Interest	Total
General Obligation Debt	\$ 1,395,000	\$ 483,244	\$ 1,878,244
Revenue Bonds	239,041	70,057	309,098
Capital Leases	304,498	80,440	384,938
Total	<u><u>\$ 1,938,539</u></u>	<u><u>\$ 633,741</u></u>	<u><u>\$ 2,572,280</u></u>

The City’s debt millage rate increased to 20.0 mills in FY21.



SALARIES

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Increase (Decrease) from Prior Year	% Change
<u>General Fund</u>					
Non Departmental	\$ 2,749	\$ 30,774	\$ —	\$ (30,774)	(100)%
City Council	29,371	29,751	29,751	—	— %
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 and Economic Development	431,267	489,395	523,294	33,899	6.93 %
Police					
Command	2,160,568	2,348,050	2,163,002	(185,048)	(7.88)%
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	155,016	197,961	42,945	27.70 %
Streets	129,410	131,684	138,139	6,455	4.90 %
Facilities Maintenance	154,532	177,742	113,190	(64,552)	(36.32)%
Total General Fund Salaries	<u>\$ 7,393,104</u>	<u>\$ 7,705,593</u>	<u>\$ 7,846,997</u>	<u>\$ 141,404</u>	<u>1.84 %</u>
<u>Parks & Tourism Fund</u>					
Parks & Tourism	<u>\$ 1,418,344</u>	<u>\$ 1,437,704</u>	<u>\$ 1,341,030</u>	<u>\$ (96,674)</u>	<u>(6.72)%</u>
<u>Stormwater Fund</u>					
Stormwater	<u>\$ 329,149</u>	<u>\$ 347,349</u>	<u>\$ 302,083</u>	<u>\$ (45,266)</u>	<u>(13.03)%</u>
<u>State Accommodations Fund</u>					
State Accommodations	<u>\$ 35,704</u>	<u>\$ 16,618</u>	<u>\$ 17,723</u>	<u>\$ 1,105</u>	<u>6.65 %</u>
Total Salaries	<u><u>\$ 9,176,301</u></u>	<u><u>\$ 9,507,264</u></u>	<u><u>\$ 9,507,833</u></u>	<u><u>\$ 569</u></u>	<u><u>0.01 %</u></u>

FULL-TIME EQUIVALENTS BY FUND

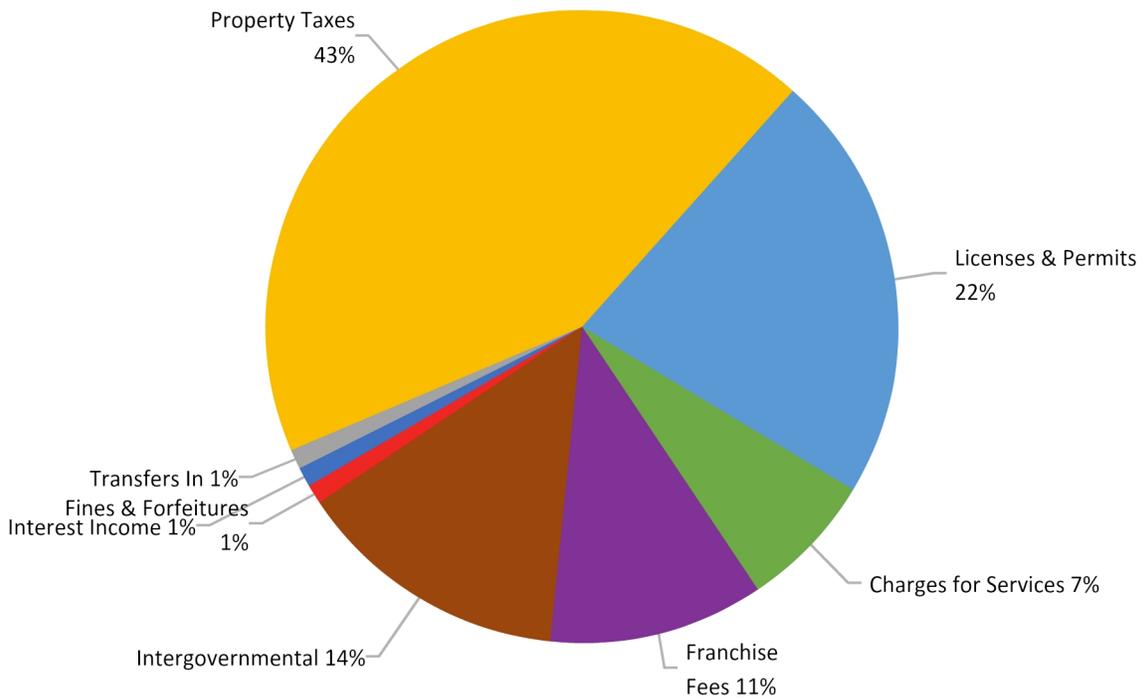
<u>General Fund</u>	FY 2019 Actual FTE's	FY 2020 Adopted FTE's	FY 2021 Adopted FTE's	Change
City Council	5.0	5.0	5.0	—
City Manager	4.0	4.0	2.5	(1.5)
Finance	7.0	8.0	8.0	—
Human Resources	1.5	2.0	2.5	0.5
Municipal Court	7.0	6.0	6.0	—
Community and Economic Development	8.0	8.0	9.0	1.0
Police				—
Command	39.0	39.0	39.0	—
School Resource Officer	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 Maintenance	4.0	3.0	3.0	—
Facilities Maintenance	4.5	4.0	4.0	—
Total General Fund Salaries	150.0	149.5	148.5	(1.0)
 <u>Parks and 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 and Tourism	31.7	31.7	25.0	(6.7)
 <u>Stormwater Fund</u>				
Stormwater Division	5.0	6.0	6.0	—
 <u>State Accommodations Fund</u>				
State Accommodations	0.3	0.3	0.3	—
Total FTE's	187.0	187.5	179.8	(7.7)

BENEFITS

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
<u>General Fund</u>					
Non Departmental	\$ 3,784	\$ —	\$ —	\$ —	0.0 %
City Council	9,106	9,181	10,413	1,232	13.4 %
City Manager	108,546	132,409	103,907	(28,502)	(21.5)%
Finance	127,158	153,971	183,582	29,612	19.2 %
Human Resources	27,147	24,714	44,520	19,806	80.1 %
Municipal Court	91,287	96,266	108,199	11,933	12.4 %
Community and Economic Development	138,411	175,720	193,619	17,899	10.2 %
Police					
Command	711,913	862,143	766,851	(95,292)	(11.1)%
School Resource Officers	80,506	79,313	86,501	7,188	9.1 %
School Crossing Guards	3,790	4,133	7,875	3,742	90.6 %
Victims Rights	16,098	17,118	23,305	6,187	36.1 %
Beaufort Fire	1,065,104	1,114,251	1,184,447	70,196	6.3 %
Public Works					
Administration	53,866	56,052	75,225	19,173	34.2 %
Streets	45,698	49,727	52,493	2,766	5.6 %
Facilities Maintenance	43,641	56,438	43,012	(13,426)	(23.8)%
Total General Fund Benefits	<u>\$ 2,526,055</u>	<u>\$ 2,831,436</u>	<u>\$ 2,883,949</u>	<u>\$ 52,514</u>	<u>1.9 %</u>
<u>Parks & Tourism Fund</u>					
Parks & Tourism	<u>\$ 500,237</u>	<u>\$ 536,403</u>	<u>\$ 548,336</u>	<u>\$ 11,933</u>	<u>2.2 %</u>
<u>Stormwater Fund</u>					
Stormwater	<u>\$ 116,081</u>	<u>\$ 136,791</u>	<u>\$ 111,771</u>	<u>\$ (25,020)</u>	<u>(18.3)%</u>
<u>State Accommodations Fund</u>					
State Accommodations	<u>\$ 23,976</u>	<u>\$ 7,952</u>	<u>\$ 6,203</u>	<u>\$ (1,749)</u>	<u>(22.0)%</u>
Total Benefits	<u><u>\$ 3,166,349</u></u>	<u><u>\$ 3,512,582</u></u>	<u><u>\$ 3,550,259</u></u>	<u><u>\$ 37,678</u></u>	<u><u>1.1 %</u></u>

GENERAL FUND REVENUES SUMMARY

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 6,913,981	\$ 7,251,964	\$ 7,754,527	\$ 502,563
Licenses & Permits	4,447,687	4,005,150	4,045,000	39,850
Charges for Services	1,319,387	1,365,947	1,404,771	38,824
Franchise Fees	2,070,518	2,041,468	2,041,468	—
Intergovernmental	2,447,713	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	20,000	(77,717)
Transfers In	55,076	156,570	48,750	(107,820)
Total General Fund Revenues	<u>\$ 17,654,734</u>	<u>\$ 17,850,389</u>	<u>\$ 18,014,415</u>	<u>\$ 164,026</u>

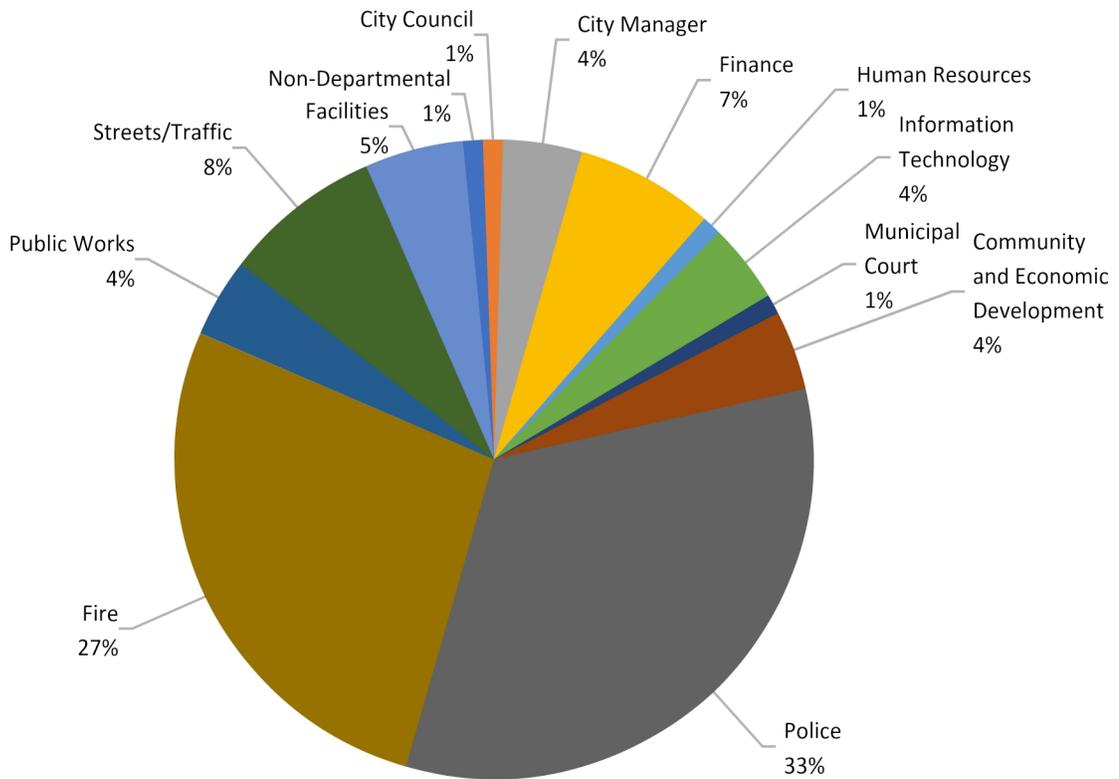


PROPERTY TAXES

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Current Property Taxes	\$ 4,390,673	\$ 4,798,757	\$ 5,149,560
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	337,500
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	\$ 7,754,527
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 Adopted budget is based on County estimates.

Percentage of Property Tax Revenue to Net Department Expenditures



PROPERTY TAXES (CONTINUED)

- 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 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 2019.
- 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 adopted increase to the millage of 2.54% or 1.4 mils
- The FY 2021 Adopted Budget includes:
 - An adopted operating mil of 56.3. This is an increase in property tax from the millage increase of \$134,438.
 - The increase in mil value is only applied to the operating mil, raising the operating mil from 54.8 to 56.3 mils.
 - The adopted debt mil increased by 1.03 mils to 20.0 mils sufficient to cover the debt service payments.
 - An adopted reserve mil of 2 mils to continue to fund for aging infrastructure.
 - An adopted 1 emergency mil to recover lost revenues due to COVID-19.
 - A total adopted mil value of 79.3 mils.

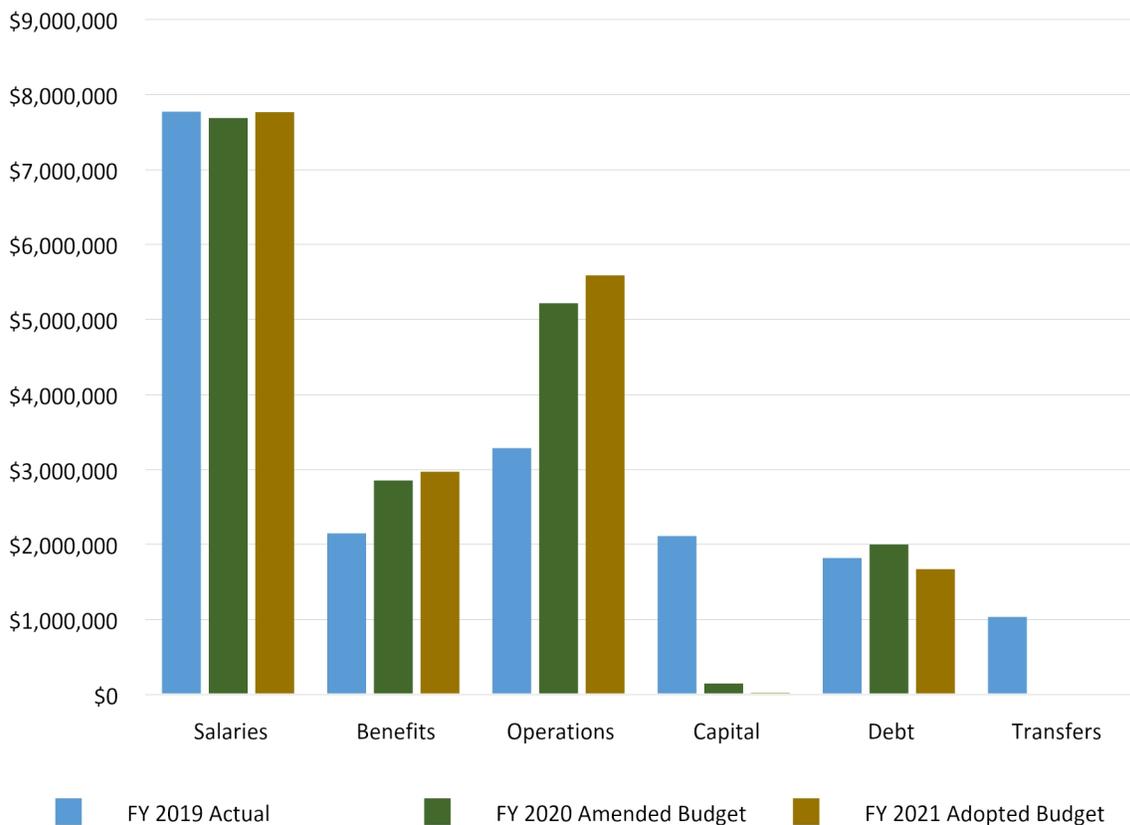
OTHER SIGNIFICANT GENERAL FUND REVENUES

- Licenses and permits are budgeted for a modest increase of \$39,850 more than FY 2020, which is due to continuing development within the City and the associated permits issued.
- Charges for services is budgeted for \$38,824 more than FY 2020, which is due to an increased activity for maintaining traffic signals throughout the City.
- All other General Fund revenues such as intergovernmental, fines and forfeitures, interest income, miscellaneous and transfers in are budgeted for a total of \$417,211 less than FY 2020. 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. Fines and forfeitures and interest income decreased due to the direct impact by COVID-19 and miscellaneous revenue is unexpected throughout the year.



GENERAL FUND EXPENDITURES

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	\$ Change	% Change
Salaries	\$ 7,769,370	\$ 7,705,593	\$ 7,846,997	141,404	1.84 %
Benefits	2,151,041	2,831,436	2,883,949	52,513	1.85 %
Operations	3,285,837	5,487,769	5,587,098	99,329	1.81 %
Capital	2,113,645	165,000	24,930	(140,070)	(84.89)%
Debt	1,822,869	1,927,127	1,671,441	(255,686)	(13.27)%
Transfers	1,035,102	—	—	—	— %
Total Expenditures	\$ 18,177,864	\$ 18,116,925	\$ 18,014,415	(102,510)	(0.57)%



GENERAL FUND EXPENDITURES BY DEPARTMENT

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
<u>Non Departmental</u>					
Salaries	\$ 2,750	\$ 30,774	\$ —	\$ (30,774)	(100.0)%
Benefits	3,784	—	—	—	— %
Operations	104,567	129,572	183,610	54,038	41.7 %
Capital	5,000	—	—	—	— %
Transfers Out	1,035,102	—	—	—	— %
Total Non Departmental	\$ 1,151,203	\$ 160,346	\$ 183,610	\$ 23,264	14.5 %
<u>City Council</u>					
Salaries	\$ 29,371	\$ 29,751	\$ 29,751	\$ —	0.0 %
Benefits	9,106	9,180	10,413	1,233	13.4 %
Operations	139,589	120,356	78,951	(41,405)	(34.4)%
Total City Council	\$ 178,066	\$ 159,287	\$ 119,115	\$ (40,172)	(25.2)%
<u>City Manager</u>					
Salaries	\$ 268,649	\$ 312,352	\$ 296,876	\$ (15,476)	(5.0)%
Benefits	108,546	132,409	103,907	(28,502)	(21.5)%
Operations	178,957	87,015	68,546	(18,469)	(21.2)%
Total City Manager	\$ 556,152	\$ 531,776	\$ 469,329	\$ (62,447)	(11.7)%
<u>Finance & Information Technology</u>					
Salaries	\$ 448,779	\$ 494,840	\$ 524,519	\$ 29,679	6.0 %
Benefits	127,158	153,971	183,582	29,611	19.2 %
Operations	728,036	657,016	620,984	(36,032)	(5.5)%
Total Finance & Information Technology	\$ 1,303,973	\$ 1,305,827	\$ 1,329,085	\$ 23,258	1.8 %

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
<u>Human Resources</u>					
Salaries	\$ 85,043	\$ 86,433	\$ 127,201	\$ 40,768	47.2 %
Benefits	27,147	24,714	44,520	19,806	80.1 %
Operations	102,396	91,921	86,837	(5,084)	(5.5)%
Total Human Resources	\$ 214,586	\$ 203,068	\$ 258,558	\$ 55,490	27.3 %
<u>Municipal Court</u>					
Salaries	\$ 283,610	\$ 294,285	\$ 293,226	\$ (1,059)	(0.4)%
Benefits	91,287	96,266	108,199	11,933	12.4 %
Operations	86,783	98,844	92,339	(6,505)	(6.6)%
Total Municipal Court	\$ 461,680	\$ 489,395	\$ 493,764	\$ 4,368	0.9 %
<u>Community and Economic Development</u>					
Salaries	\$ 431,267	\$ 489,395	\$ 523,294	\$ 33,899	6.9 %
Benefits	138,411	175,720	193,619	17,899	10.2 %
Operations	219,561	342,687	226,499	(116,188)	(33.9)%
Total Community and Economic Development	\$ 789,239	\$ 1,007,802	\$ 943,412	\$ (64,390)	(6.4)%
<u>Police</u>					
Salaries	\$ 2,452,673	\$ 2,651,208	\$ 2,485,873	\$ (165,335)	(6.2)%
Benefits	812,307	962,707	884,532	(78,175)	(8.1)%
Operations	766,490	999,604	1,109,641	110,037	11.0 %
Capital Outlay	13,000	76,000	24,930	(51,070)	(67.2)%
Total Police	\$ 4,044,470	\$ 4,689,519	\$ 4,504,976	\$ (184,543)	(3.9)%

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget	Change	% Change
<i>Fire</i>					
Salaries	\$ 2,951,195	\$ 2,852,115	\$ 3,116,967	\$ 264,852	9.3 %
Benefits	1,065,104	1,114,251	1,184,447	70,196	6.3 %
Operations	1,036,149	1,114,091	1,003,906	(110,185)	(9.9)%
Capital Outlay	70,071	89,000	—	(89,000)	(100.0)%
Debt	83,616	96,355	163,556	67,201	69.7 %
Total Fire	\$ 5,206,135	\$ 5,265,812	\$ 5,468,876	\$ 203,064	3.9 %
<i>Public Works</i>					
Salaries	\$ 439,768	\$ 464,442	\$ 449,290	\$ (15,152)	(3.3)%
Benefits	144,459	162,217	170,730	8,513	5.2 %
Operations	1,743,470	1,846,663	1,868,613	21,950	1.2 %
Capital Outlay	205,413	—	—	—	0 %
Total Public Works	\$ 2,533,110	\$ 2,473,322	\$ 2,488,633	\$ 15,311	0.6 %
<i>General Obligation Debt</i>					
Principal	\$ 1,276,798	\$ 1,416,021	\$ 1,369,499	\$ (46,522)	(3.3)%
Interest	462,452	414,750	385,558	(29,192)	(7.0)%
Total General Obligation Debt	\$ 1,739,250	\$ 1,830,771	\$ 1,755,057	\$ (75,714)	(4.1)%
Total General Fund Expenditures	\$ 18,177,864	\$ 18,116,925	\$ 18,014,415	\$ (102,510)	(0.6)%

GENERAL FUND EXPENDITURES 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.



City Council, City Manager, and Human Resources Departments

Department Mission Statements

The mission of City Council is to provide visionary leadership in policy making to enable the City to provide quality services at reasonable cost to all our citizens.

The mission of the City Manager department is to provide effective leadership and direction in the administration of policies established by the Mayor and City Council and to oversee, coordinate, and supervise the efficient operation and customer services provided by all City departments.

The mission of the Human Resources department is to partner with departments and employees to hire, compensate, train, support and develop a diverse workforce that is dedicated to the delivery of high-quality services to each other and to the community.

Recent City Council Performance Accomplishments

Passed resolutions to honor community concerns.

Received input from commissions, neighborhood groups, and the public on important goals.

Approved funding to address major infrastructure projects.

Established the Strategic Plan for next 2 years.

Approved several annexations that were strategic to the growth of the City.

Passed Ordinances to better serve the needs of the City.

Recent City Manager Performance Accomplishments

Continued to build relationships with other government and civic organizations.

Actively involved with Beaufort County Economic Development Corp.

Focused staff responsibilities to align with Strategic Plan.

Continued to lead organizational cultural shift to performance management system.

Lead customer service and communications improvement initiatives.

Achieved budget goals, objectives and completed several major projects.

Recent Human Resources Performance Accomplishments

In collaboration with Finance – deployed Employee Self Service Mobile App.

Monitored and managed Workmen’s Compensation claims and Employee Benefit programs.

**Performance
Measurements to Track
Recent City Council
Accomplishments**

Ordinances passed

Citizen complaints

Active Commission and subcommittees

**Performance
Measurements to
Track
Recent City Manager
Accomplishments**

Improved Community relations

Operational performance and management of budget

Balancing the needs of City services for all residents

Growth of City commercial businesses and economic development opportunities.

**Performance
Measurements to
Track
Recent Human
Resources
Accomplishments**

Workmen's Compensation rates have been reduced by 5%.

Employees are actively using Employee Self Service Mobile App.

City compensation continues to be competitive.

**Recent Goals Unable to
Achieve Due to Budget
or Staffing Constraints**

System enhancements in several departments

Strategic Planning for the long-term

Complete analysis of infrastructure, facilities, sidewalks and road needs.

Current City Council Performance Initiatives

Annexations

Job Creation at reasonable wage levels

Economic Development

Improved growth of education

Insure equality for all citizens of the City

Hurricane Preparedness

Pursue the ability to have a Local Option Sales Tax

Pursue the ability to provide workforce housing that is affordable.

Current City Manager Performance Initiatives

Pursue economic development opportunities in Commerce Park

Continues leadership and oversight in achieving Strategic Plan goals for 2020 – 2022

Professional Development of staff

Strategic Planning and synchronization of all operational activities

Continue to improve customer services

Oversight of budget

Continue to improve our communications plan

Current Human Resources Performance Initiatives

Professional development

Key Goals and New Initiatives for City Council in Fiscal Year 2021

Encourage sustainable economic growth **(Strategic Goal #1)**

Identify new revenue streams: i.e. Local Options Sales Tax **(Strategic Goal #4)**

Balance tourism, Downtown and hometown needs **(Strategic Goal #2)**

Work on program for Infill growth in the greater downtown area **(Strategic Goal #2)**

Create and coordinate opportunities for affordable housing **(Strategic Goal #3)**

Key Goals and New Initiatives for City Manager in Fiscal Year 2021

Oversight of budget and goals established for the City as a whole.

Active participation with redevelopment and economic opportunities. **(Strategic Goal #1)**

Continued relationship building with constituents in the private and public sector and our legislative delegates. **(Strategic Goal #1, 2, 3, & 4)**

Oversight of goals in Strategic Plan for 2020 – 2022 **(Strategic Goal #1, 2, 3, 4, 5, 6 & 7)**

Key Goals and New Initiatives for Human Resources in Fiscal Year 2021

Evaluate and Support the Employee Recognition Program.

Streamline new hire process. **(Strategic Goal #1)**

Continue to work on customer service initiatives. **(Strategic Goal #3)**

Continue to develop an ambassador program with new hires. **(Strategic Goal #3)**

Continue to monitor the Risk Management program and work with Risk Management Committee.

Continued focus on Professional Development. **(Strategic Goal # 1)**

Monitor and evaluate Summer Youth Work Program.

Host and participate in Recruitment/Job Fairs

Customer Service Initiatives

Staff awareness of all goals in the Strategic Plan and Department goals.

Streamlining our development review process

Measurement of number of days complaints are addressed and resolved. Expectation of 2 day turnaround.

Public safety will continue to build and expand community projects and community relations.

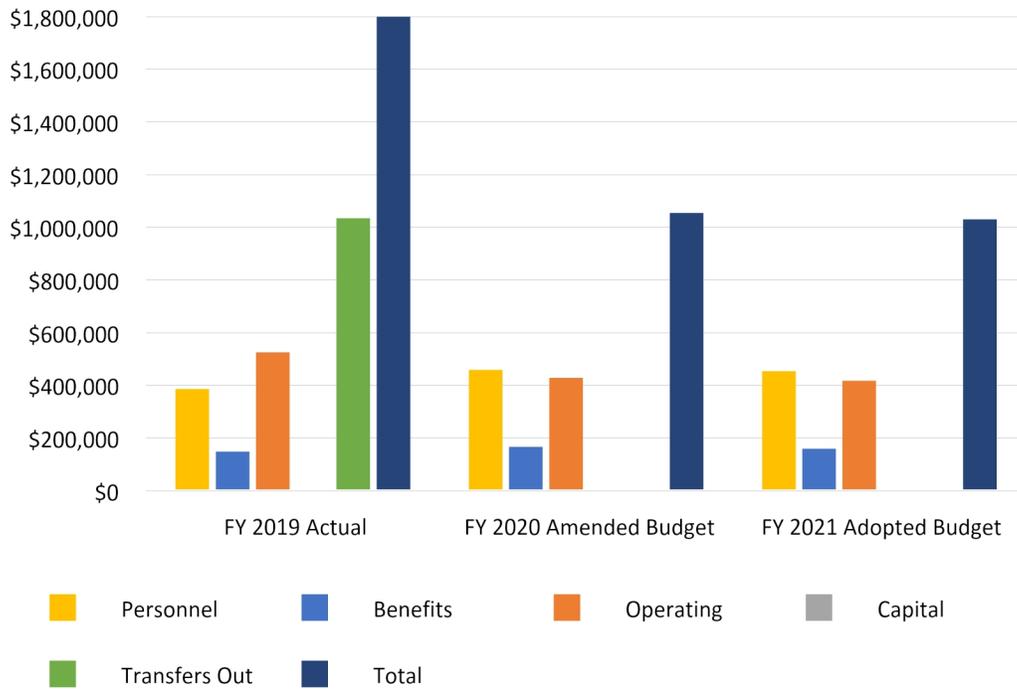
Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Resources in the Human Resource budget to pay for professional development and leadership programs for personnel. (Human Resources budget)

Resources in support of establishing internship programs. (City Manager's and Human Resources budget)

Department Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Department Summary			
Non-Departmental	\$ 1,151,203	\$ 160,346	\$ 183,610
City Council	178,066	159,287	119,115
City Manager	556,152	531,776	469,329
Human Resources	214,586	203,068	258,558
Total	\$ 2,100,007	\$ 1,054,477	\$ 1,030,612
Category			
Personnel	\$ 385,812	\$ 459,310	\$ 453,828
Benefits	148,583	166,304	158,840
Operating	525,510	428,863	417,944
Capital	5,000	—	—
Transfers Out	1,035,102	—	—
Total	\$ 2,100,007	\$ 1,054,477	\$ 1,030,612



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Non-departmental includes incentives for redevelopment and economic partnerships throughout the City.

Human Resources budget increase is associated with a full time Human Resources assistant and contract costs for website and other technology relating licensing.



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Finance and Information Technology Department

Department Mission Statement

In a spirit of excellence, integrity, and dedication, the Finance Department is committed to providing timely, accurate, clear and complete information in accordance with Generally Accepted Governmental Accounting Standards; to support other city departments, citizens, and the community at large; to develop, implement and monitor fiscal policies and procedures that ensure a financially strong and effective city government; and to maintain a secure and reliable technological infrastructure.

Recent Finance Performance Accomplishments

Received the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting for fiscal year 2019. This is the 13th consecutive year the City has received this prestigious award.

Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for fiscal year 2020 Budget Report. This is the 3rd year the City has applied and received this award.

Continued increase in usage of the Business License online portal.

Streamlined the short term rental process and provided an interactive updated map online of short term rentals.

Successfully completed the integration of financial data to the transparency portal.

Built the budget book in the new format that is linked to our transparency portal.

Transitioned AP vendors payments from checks to electronic fund transfers for more efficient and timely disbursements.

Developed story boards that better communicate City initiatives to the public.

Recent Information Technology Performance Accomplishments

Information Technology completed the network upgrades to ensure CJIS compliance.

Performance Measurements to Track Recent Accomplishments

Awards from Government Finance Officers Association

Number of customers using the Online payment portal

Internal and external feedback

Implementation progress

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

The Finance Department was unable to complete:

Citizen reporting tool

Review of the City Procurement Ordinance

Information Technology was unable to complete:

Power and environmental monitoring for all network closets that will promote optimal environmental conditions for IT equipment and provide timely alerts to issues. Resources had to be diverted to battery backup units and emergency switches.

More detail training of users on Office 365 and its functionality. A basic functionality training occurred during the year that needs to be expanded on.

Current Performance Initiatives

Internal Training on various Munis reports, functionality and capabilities.

Review of Procurement Ordinance and Policies regarding the RFQ/RFP process and the Sale of Used Equipment.

Implementation of Employee leave requests through online employee system.

Implementation of Phase II of Work Order module and Citizen reporting portal.

Implementation of additional technology enhancements related to Human Resources and Applicant tracking which will allow personnel applicants to apply online and automate much of the manual data entry associated with the hiring process.

Key Goals and New Initiatives for Fiscal Year 2021 Finance

Enhanced Business License collections activity.

Continue to enhance financial transparency and more effective reporting to internal and external users.

Complete the implementation of the Phase II Work Order system incorporating the online Citizen portal.

Complete review of the Procurement Ordinance and make recommendations to City Council on methods that will more streamline the procurement process without jeopardizing internal controls.

Complete analysis of data for implementation of a Tax Increment Financing (TIF) District of a Multi County Improvement Park (MCIP).

Key Goals and New Initiatives for Fiscal Year 2021 Information Technology

Implement training program to reduce vulnerability to cybersecurity threats such as malicious e-mails, social engineering, and malicious devices.

Upgrade e-mail system to improve security, performance, and serve as a stepping point towards cloud based e-mail.

Explore and implement Microsoft Teams to enhance communication in and between departments.

Encourage use of Microsoft OneDrive for active projects and documents to enhance productivity and reduce versions/reversion conflicts.

Carry over goal: Implement power and environmental monitoring for all network closets that will promote optimal environmental conditions for IT equipment and provide for more timely alerts.

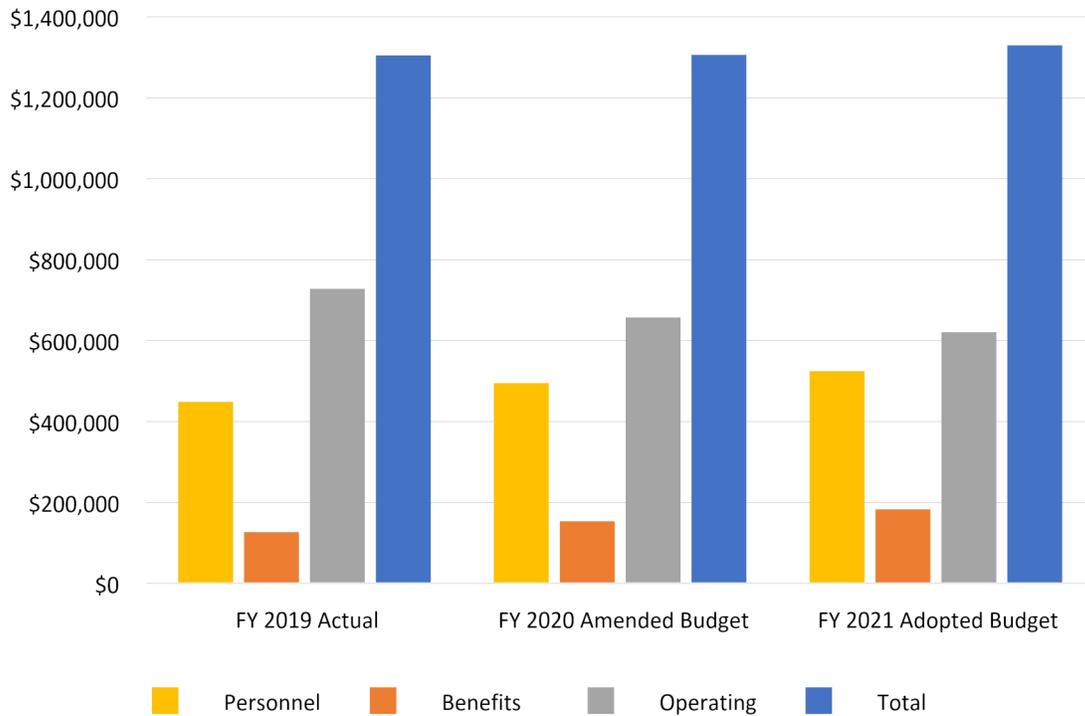
Customer Service Initiatives

Continue to improve internal and external user relations.

Continue to enhance reporting that supports internal users and assist them at monitoring their efficiencies and effectiveness.

Department Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Department Summary			
Finance	\$ 851,509	\$ 842,263	\$ 870,021
Information Technology	452,464	463,564	459,064
Total	<u>\$ 1,303,973</u>	<u>\$ 1,305,827</u>	<u>\$ 1,329,085</u>
Category			
Personnel	\$ 448,779	\$ 494,840	\$ 524,519
Benefits	127,158	153,971	183,582
Operating	728,036	657,016	620,983
Total	<u>\$ 1,303,973</u>	<u>\$ 1,305,827</u>	<u>\$ 1,329,085</u>



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Finance overall budget increased 3.2%

Personnel costs increased 6.0% related to the net merit increases received in fiscal year 2020.

Information Technology costs decreased 1.0%.

The overall department budget increased 1.78% from FY 2020.



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Municipal Court Department

Department Mission Statement

The mission of the Municipal Court is to promote justice and provide prompt, courteous service in an efficient, professional manner while being dedicated to the principals of impartiality, fairness, and integrity.

Recent Performance Accomplishments

Entered contract with 14th Circuit Public Defender's Office.

Upgraded audio software in courtroom and replaced X-ray scanner.

Performance Measurements to Track Recent Accomplishments

Estimated number of cases processed and disposed in Municipal Court this year will be 1,391.

Estimated number of cases processed and transferred in Bond Court will be 1,525.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Not applicable this budget year.



Current Performance Initiatives

Continue to explore ways to enhance and maximize participants' experience with the department as motivated employees who engage their community.

Performance Indicator	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Municipal Court Cases	5,272	2,338	1,391
Bond Court Cases	2,860	1,720	1,525

The decrease in court cases is mostly attributable to COVID-19.

Key Goals and New Initiatives for Fiscal Year 2021

Continue exploring additional funding sources through partnerships and grants.

Customer Service Initiatives

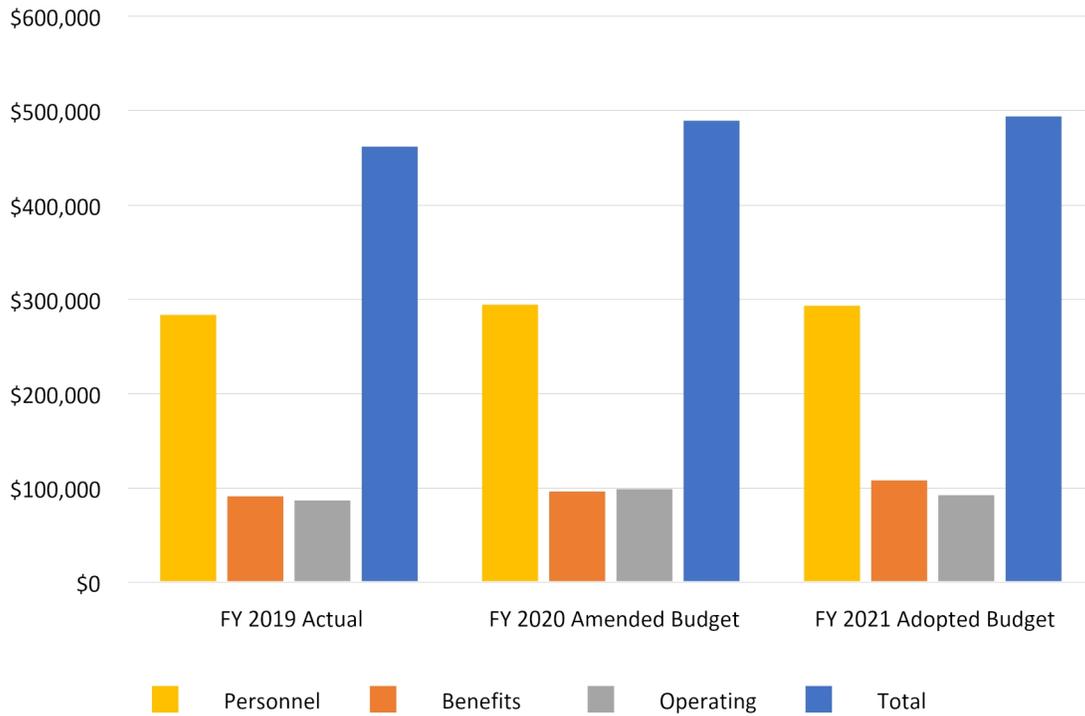
Continue to assist court participants with knowledgeable and courteous team members.

Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Hire a prosecutor for criminal cases in Municipal Court.

Department Expenditures

Category	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Personnel	\$ 283,610	\$ 294,285	\$ 293,226
Benefits	91,287	96,266	108,199
Operating	86,783	98,844	92,339
Total	\$ 461,680	\$ 489,395	\$ 493,764



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Not applicable this budget year.



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Community and Economic Development Department

Department Mission Statement Integrate opportunities, geographic constraints, economic necessities, aesthetics, and the health and welfare of our citizens into the long term development outlook for the City.

Recent Performance Accomplishments

- Review and support to Boards, Commissions, and Council.
- 22 Technical Reviews, 17 Design Reviews, 58 Historic Design Reviews, 6 Zoning Board of Appeals, 8 Annexation Petitions, 10 Re-zonings, and 19 Subdivision Applications.
- 62 Planning Inspections
- 322 Planning Permits (not requiring inspections)
- New Construction Activity- 72 Single-family Dwellings, 5 Multi-Family Buildings (60 Units), 7 Commercial Buildings
- 5,590 Building Codes Inspections
- 777 Building Codes Permits
- 82 Impact Fees

Performance Measurements to Track Recent Accomplishments

- Residential new construction increased by 95%.
- Multi-family new construction increased by 25%.
- Building code inspections increased by 23%.
- Building code permits increased by 9%.
- Design reviews increased by 13%.
- Historic reviews increased by 208%.
- Annexations increased from zero to eight.
- Re-zonings increased from 2 to 10.
- Subdivisions increased from 8 to 19.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Update of the Comprehensive Plan.

Current Performance Initiatives

Hire a principal planner.

Streamline application/permitting process.

Improve department workflow and document management.

Key Goals and New Initiatives for Fiscal Year 2021

Quarterly review and update of zoning ordinance.

Update of comprehensive plan.

Work with Downtown Operations to develop a growth plan for the downtown district.

Work with the Economic Development Corporation on recruitment and expansion of technology companies.

Incorporate in-house GIS capabilities.

Customer Service Initiatives

Improve public access to development submittals.

Continue to promptly accommodate walk-in customers.

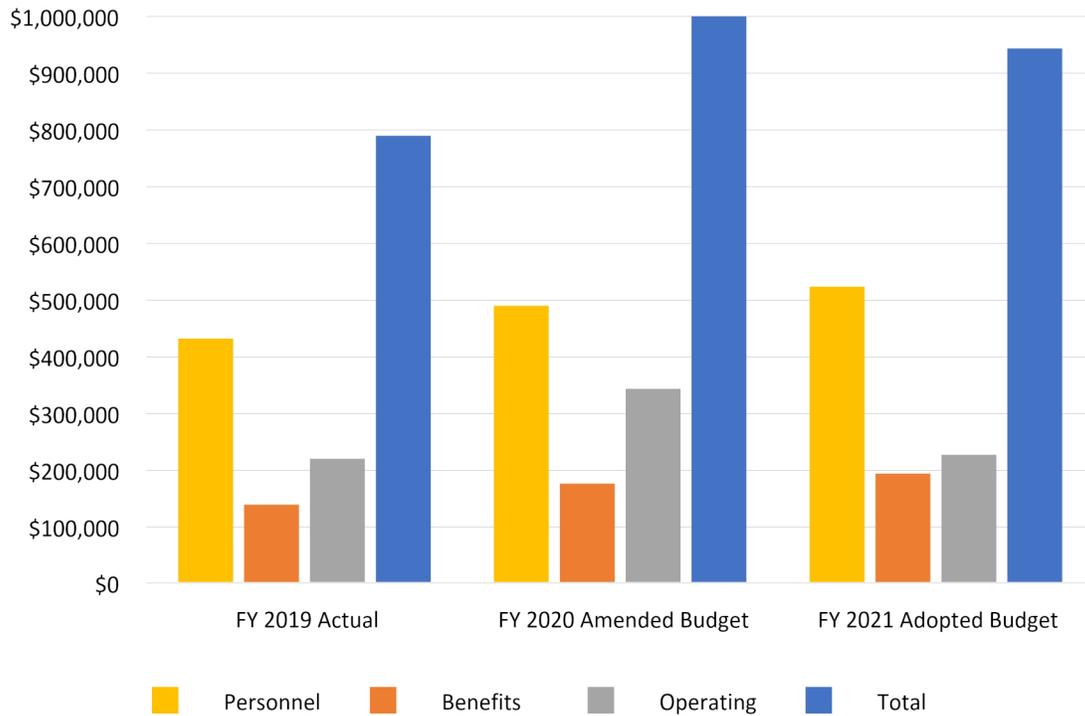
Continue to schedule reviews for next meeting, provided application deadline is met.

Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Not applicable this budget year.

Department Expenditures

Category	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Personnel	\$ 431,267	\$ 489,395	\$ 523,294
Benefits	138,411	175,720	193,619
Operating	219,561	342,687	226,499
Total	\$ 789,239	\$ 1,007,802	\$ 943,412



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

The FY 2021 adopted budget is 0.7% less than the FY20 revised budget.



Police Department

Department Mission Statement

We, the members of the Beaufort Police Department, are committed to being responsive to our community in the delivery of quality services. Recognizing our responsibility to maintain order, while affording dignity and respect to every individual, our objective is to improve the quality of life through a community partnership that promotes safe, secure neighborhoods.

Recent Performance Accomplishments

Obtained, trained, and deployed automated external defibrillators (AEDs) and Narcan.

Performance Measurements to Track Recent Accomplishments

Annual FBI Crime Statistics

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Unable to maintain Office of Highway Safety Grant position (Staffing)

Unable to obtain license plate readers. (Budgeting)

Unable to maintain the Community Response Team (Staffing)

Current Performance Initiatives

Continued participation with United Community Task Force, Neighborhood Outreach Connection and Neighborhood associations.

Continue use of DDACTS (Data-Driven Approaches to Crime and Traffic Safety) for predictive crime prevention measures.

Training staff as active shooter instructors for education within schools, community and department personnel and other City staff.

Victim Advocate has become a member of the ICAC (Internet Crimes Against Children) Task Force Program.

Key Goals and New Initiatives for Fiscal Year 2021

Restaff Community Response Team (activity trailer grant applied for)

Continuation of the Movie Club through a partnership with Beaufort High School (45th year)

Customer Service Initiatives

Continue to recruit high quality officers and instill the values and the goals of the department in them.

Continue to use the predictive crime modeling and enhance them through the use of license plate readers in an attempt to further reduce crime in the City.

Continue the use of social media and stay abreast of the latest trends and improvements.

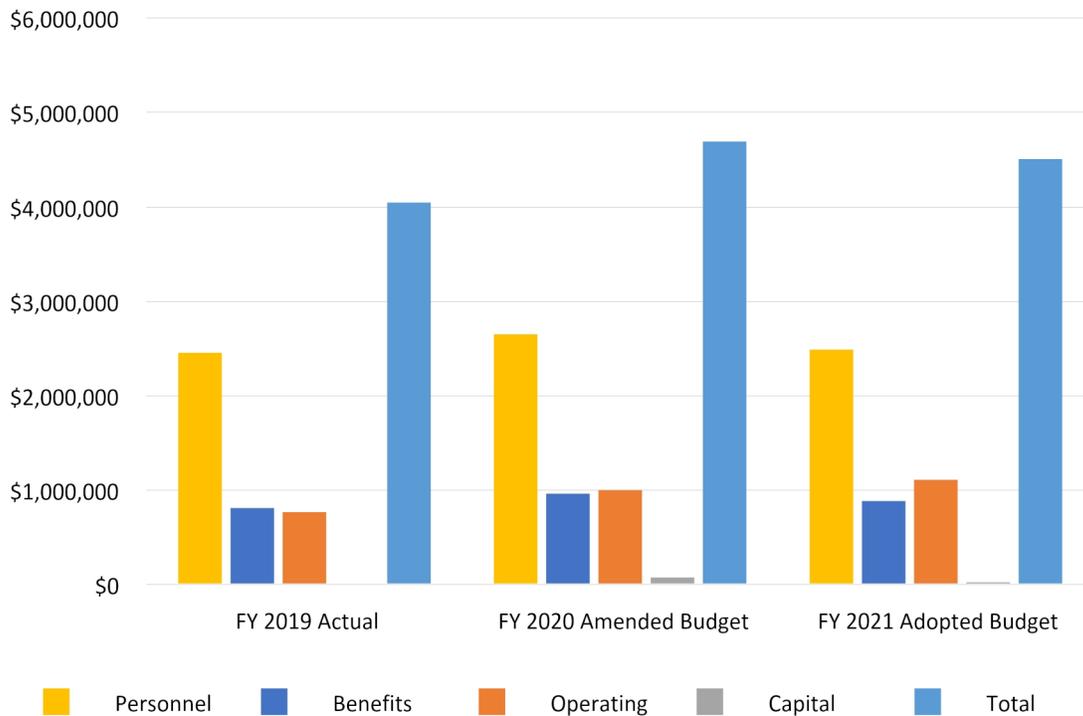
Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Mobile computer package and radios for patrol vehicles.

Department Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Department Summary			
Police	\$ 3,633,049	\$ 4,244,074	\$ 4,059,531
School Resource Officers	303,614	333,309	333,309
School Crossing Guards	26,586	27,712	27,712
Victim Advocate	81,221	84,424	84,424
Total	<u>\$ 4,044,470</u>	<u>\$ 4,689,519</u>	<u>\$ 4,504,976</u>

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Category			
Personnel	\$ 2,452,673	\$ 2,651,208	\$ 2,485,873
Benefits	812,307	962,707	884,532
Operating	766,490	999,604	1,109,641
Capital	13,000	76,000	24,930
Total	<u>\$ 4,044,470</u>	<u>\$ 4,689,519</u>	<u>\$ 4,504,976</u>



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Not applicable this budget year.



Fire Department

Department Mission Statement

The Mission of the Fire Department is to provide public safety and emergency services to the City of Beaufort and Town of Port Royal in a way that the department is intricately woven into the fabric of the community.

The Fire Department will take a customer service oriented approach every time we contact a member of our community and provide empathy, understanding and kindness to everyone we meet.

Recent Performance Accomplishments

Operations

4,006 Calls for service in calendar year 2019; 17% increase

Development Impact Fees are Fire implemented.

COVID-19 management for 4th Quarter of FY2020

Performance Measurements to Track Recent Accomplishments

Zero civilian fire injuries

Average response time (dispatch to arrive) across all incident types: 5:32

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Fleet Replacement

Squad Response Staffing Concept (Staffing; working on it with supplanting)

Current Performance Initiatives

Reserve Firefighter Sustainability

Recruiting Drives

Sustaining Diversity

Part Time Firefighter Sustainability

Availability Matrix

Usage Rates

Future Needs

Medical Service Delivery Efficiencies

Certification and Certification Maintenance (People and Program)

Partnerships or Standalone

Key Goals and New Initiatives for Fiscal Year 2021

Standardize Emergency Services on Port Royal Island (Strategic Goal 1)

Emergency medical service delivery analysis (Strategic Goal 2)

Customer Service Initiatives

“After the Fire” Program continues on strong with an integral relationship between fire operations, the fire marshal, codes enforcement, and building codes

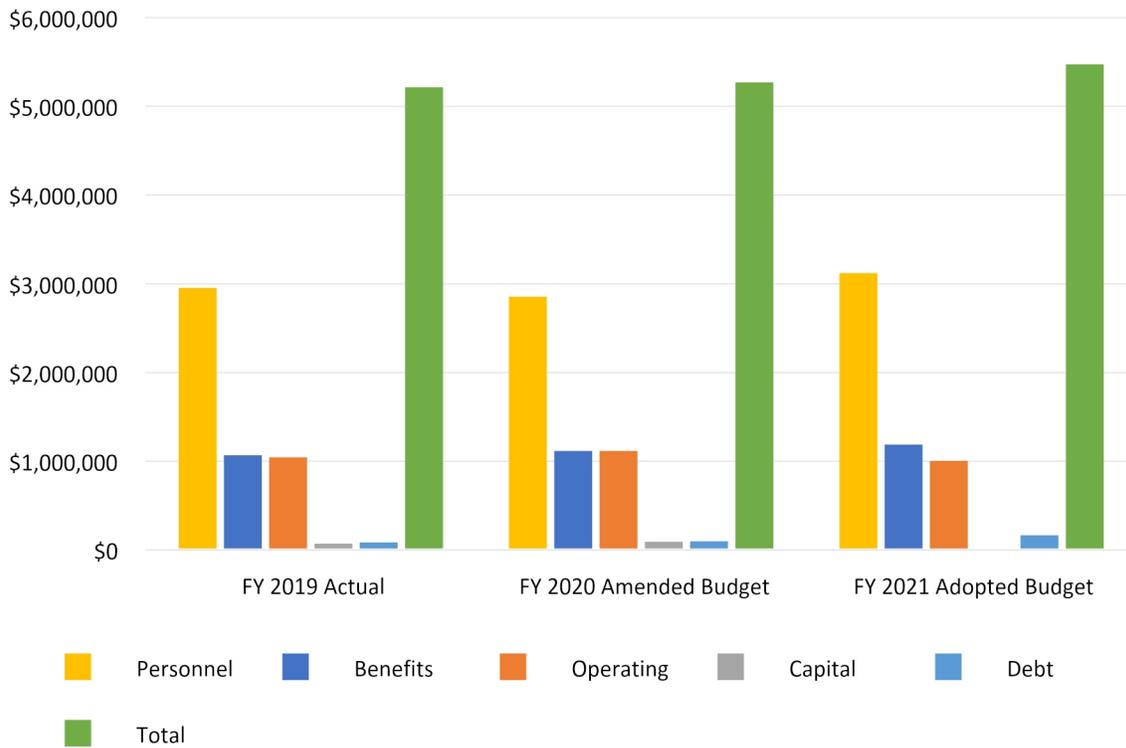
“Provide empathy, understanding, and kindness to everyone we meet.”

Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Budget request was significantly reduced in response to expected revenue shortfalls due to COVID-19.

Department Expenditures

Category	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Personnel	\$ 2,951,195	\$ 2,852,115	\$ 3,116,967
Benefits	1,065,104	1,114,251	1,184,447
Operating	1,036,149	1,114,091	1,003,906
Capital	70,071	89,000	—
Debt	83,616	96,355	163,556
Total	\$ 5,206,135	\$ 5,265,812	\$ 5,468,876



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Operating: Available budget funds were moved from capital and operations to shore up the apparatus purchasing needs of the department and support personnel costs.



Public Works Department

Department Mission Statement

The Public Works Department (PWD) provides residents a safe, healthy, enjoyable and sustainable environment through the effective and efficient deployment of services in a responsive, courteous manner based on the City's priorities. Focusing on long term solutions that positively impact the public is also an important component to our mission. The PWD span of control includes roads, drainage, parks, facilities, traffic management and coordinates all projects and services through staff synchronization.

Recent Performance Accomplishments

Supported debris clean up for Hurricane Dorian in the amount of 112 tons removed from City streets and Public Works hauling 86 tons to Oliver's Clean Burn.

Continued effort repairing sink holes and seawall throughout Waterfront Park.

Reconciliation of contracted engineering project invoicing.

Coordinated with City of Beaufort Police Department with staging area for emergency equipment on Public Works compound.

New Mower Max purchase.

Several continued training initiatives.

Coordinated with Beaufort County and SCDOT for CTC funding (5 roads) and maintained 46 traffic signals and validate all street signs within the City.

Coordinated with Beaufort County and SCDOT for the agreement of a new traffic signal at W.K. Alston.

Leveraging in house talent to repair 24 potholes, 30 sinkholes, and 500 linear feet of sidewalks at a significant cost savings to the City while providing greater responsiveness to the Citizens.

Supported over 50 organizations or events (banner hanging, festivals, holidays, parades) within the core business district demonstrating the City's support for a wide variety of diverse events and activities.

Coordinated with Dude Solutions for a Facilities Assessment for City owned buildings.

Performance Measurements to Track Recent Accomplishments

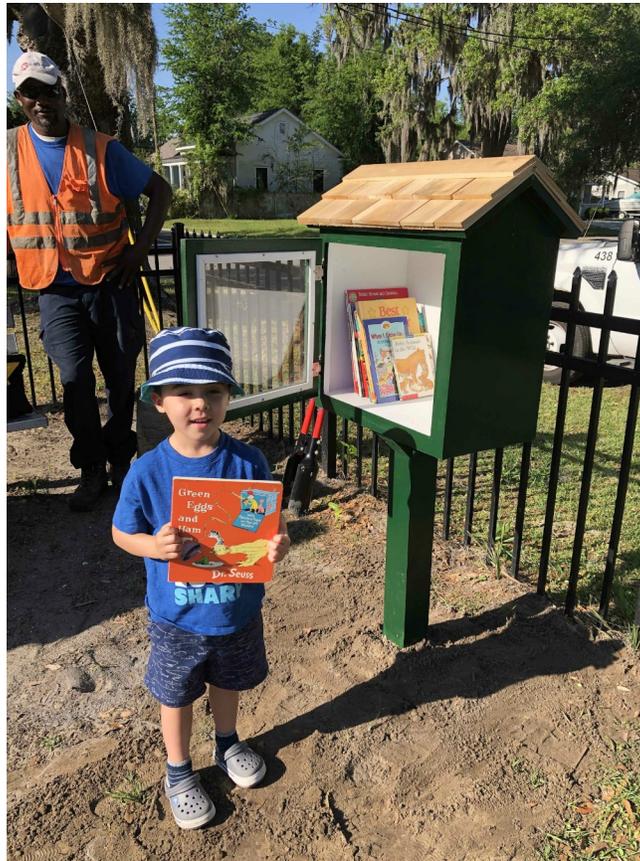
Training Certifications

Reduce drainage complaints FYTD by being proactive

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Due to Coronavirus pandemic, new playground equipment has been delayed. This has also created new procedures that have to be followed with social distancing, while trying to complete assigned tasks.

Upgrading of signal cabinets to allow the City of Beaufort to move away from Beaufort County assistance.



Current Performance Initiatives

Promote and support Strategic Plan Goals (1, 2, 4, & 5)

Begin first phase of Mossy Oaks drainage project. Install flap gates on the Spanish Moss Trail.

Key Goals and New Initiatives for Fiscal Year 2021

Review Public Works associated renewal landscaping maintenance contracts.

Review Public Works associated renewal of street sweeping contracts.

Renovate the Public Works building.

Continued reorganization of the Public Works complex.

Enhanced training initiatives for Public Works staff.

Customer Service Initiatives

New Citizen engagement throughout City website.

Continued support and attendance of monthly Neighborhood Meeting.

Routine engagement with City's contractors to ensure the delivery of quality service.

Department is active in the City's risk management group.

Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

Road maintenance in Battery Shores subdivision.

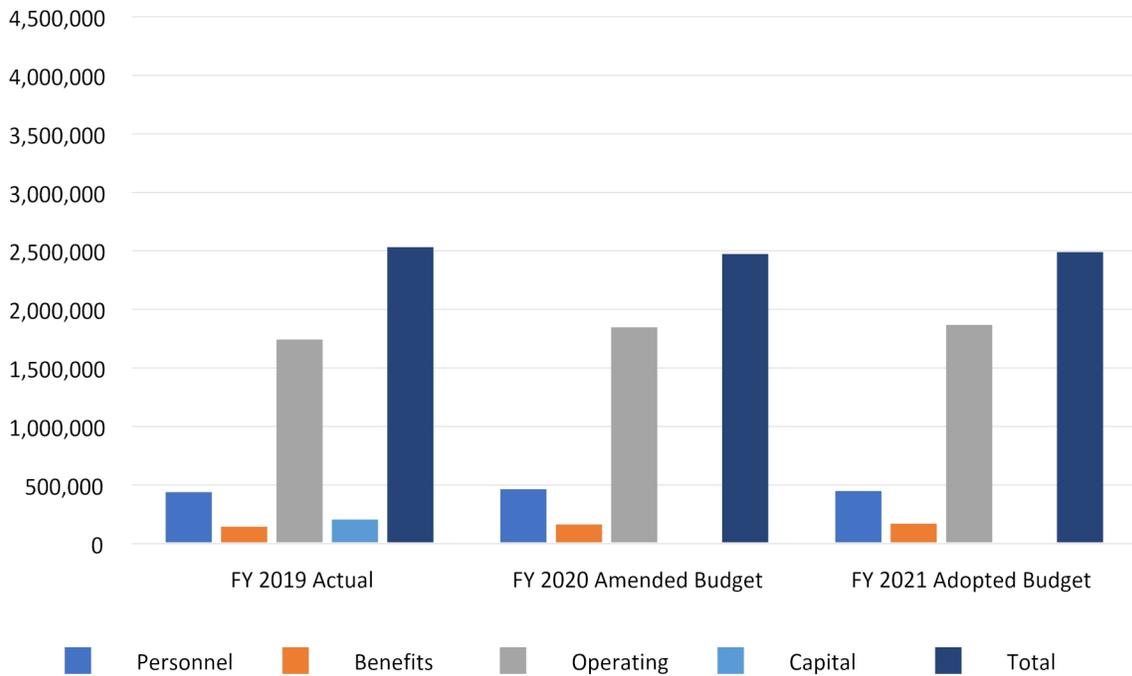
Purchase of new Mower Max to assist with right-of-way maintenance.

Department Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Department Summary			
Public Works Administration	\$ 323,825	\$ 337,637	\$ 363,433
Streets & Traffic	923,912	887,391	877,840
Facilities Maintenance	544,509	512,579	511,645
Solid Waste	740,864	735,715	735,715
Total	<u>\$ 2,533,110</u>	<u>\$ 2,473,322</u>	<u>\$ 2,488,633</u>

Category	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Personnel	\$ 439,768	\$ 464,442	\$ 449,290
Benefits	143,205	162,217	170,730
Operating	1,744,724	1,846,663	1,868,613
Capital	205,413	—	—
Total	<u>\$ 2,533,110</u>	<u>\$ 2,473,322</u>	<u>\$ 2,488,633</u>





Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Not applicable this budget year.



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Parks and Tourism Fund

Mission Statement

The mission is to provide safe, accessible, enjoyable spaces and amenities for the community, visitors, and stakeholders while continually supporting economic vitality and encouraging collaboration in the business community to promote Downtown as an exciting place to shop, visit and invest. We strive to enhance the quality of life for residents by ensuring contracted services adhere to the City's standards and resident's expectations. The Parks and Tourism Fund was established to account for the revenue and expenditure activities of the City that are dedicated toward support of tourism related activities, tourism development and the facilities that support those activities.



Recent Performance Accomplishments

Completed an assessment of condition of the docks, moorings, dinghy dock and boat ramp.

Received a Land and Water Conservation grant for repairs to the Waterfront Park to include repair of the pilings, replacement of playground and upgrading Circle of Palms.

Completed Arsenal window restoration and new restroom project.

Completed comprehensive assessment of the walls at the Arsenal.

Developed a planting plan for the Waterfront Park to refresh the aging plants and installed new plants in the dining area behind Restaurant Row.

Established Event and Tour Coordinator position which moved some of the responsibilities and position from the Police Department.

Installed signs on the perimeter of the Cultural District to enhance the awareness of the district.

Worked with Waste Pro to develop an education program for residents.

Reinstated the SC Main Street membership and became active in Statewide trainings and member benefits.

Assisted with planning and executed activities for the monthly First Friday events.

Successfully organized and executed community events including Holiday weekend, Halloween, Shrimp Festival and Taste of Beaufort while forging partnerships with other agencies.

Assisted with the Cultural District Advisory Board's Art Walks, Sidewalk Chalk Contest, Cake Walk and Bench project.

Holiday Parking program was a success again this year.

Recent Performance Accomplishments (Continued)

Conducted significant sinkhole work at Waterfront Park.

Installation of new and replacement of park benches throughout the City.

Began maintenance on Boundary Street.

Annual Arbor Day Support.

Continued to utilize US Marine volunteer groups several times to assist with Parks Division special projects.

Landscape installation at Walmart medians on Lady's Island.

Southside Park Dog Park parking lot and entrance gate installation.

Southside Park Trail improvements (new edging and trash cans)

Performance Measurements to Track Recent Accomplishments

The merchants are pleased with the consistent activities for the First Friday events and the four street closures a year. The event is popular and attracts many patrons.

Businesses, residents and visitors regularly compliment that the Waterfront Park is well kept and beautiful.

Holiday Parking program received positive reviews from customers and merchants.

Complaints regarding trash and yard debris issues have declined.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Completion of trash enclosure gates and front panels.

Focused management of Downtown economic development and marketing.

Creation of easy to understand event guidelines, applications and policies for events to streamline the process.

Current Performance Initiatives

Improve the infrastructure and aesthetics of Waterfront Park and the Expanded Core Commercial areas to enhance the beauty of Beaufort and the overall visitor experience.

Develop metrics for measuring the effectiveness of Downtown Operations.

Develop a plan for improvements at the Arsenal and Carnegie buildings.

Assist in the transition plan with the new operators for the Marina.

Increase awareness of the Cultural District attractions and businesses.



Key Goals and New Initiatives for Fiscal Year 2021

Improve the infrastructure and aesthetics of the Waterfront Park and the Expanded Core Commercial areas to enhance the beauty of Beaufort and the overall visitor experience.

Increase the vibrancy of Downtown by engaging partners to hold consistent activities Downtown to attract visitors and locals.

Review and revise tour policies to ensure efficient the operations of all tours.

Rebranding of the parking signage to coordinate with the wayfinding signs and enhance their effectiveness.

Engaging the Downtown businesses and property owners in enhancing the experience for the patrons.

Upfit of second floor of 500 Carteret Street

Include Washington St. Park, Pigeon Point Park, and Southside Park in the department's purview in regards to reservations and park activities.

Customer Service Initiatives

Provide education for trash and parking issues.

Add signage for parking lots to make them easier to find.

Create easy to understand policy packets for those interested in renting parks.

Continue to address complaints in a timely manner and in person when possible.

Review and update tour operations policies and procedures.

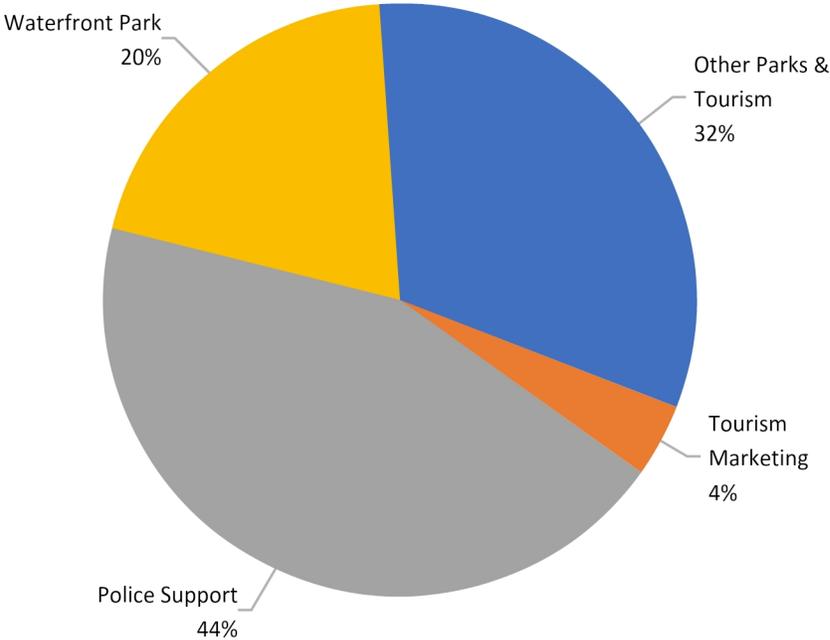
Budget Requests Needed to Help Achieve Fiscal Year 2021 Goals and Initiatives

One additional FTE to replace vacancy within the Parks Division.

Fund Revenues and Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Revenues			
Other Taxes	\$ 2,965,921	\$ 2,920,976	\$ 2,706,000
Charges for Services	821,904	633,850	490,100
Miscellaneous	46,756	—	\$ 5,000
Total Parks and Tourism Revenues	\$ 3,834,581	\$ 3,554,826	\$ 3,201,100
Expenditures			
Other Parks and Tourism			
Personnel	\$ 364,046	\$ 335,244	\$ 344,304
Benefits	124,622	123,120	150,823
Operating	304,303	345,907	260,155
Capital	30,992	15,000	10,000
Total Other Parks and Tourism	823,963	819,271	765,282
Police Support			
Personnel	930,526	931,265	825,144
Benefits	337,262	361,047	332,312
Operating	—	37,268	—
Total Police Support	1,267,788	1,329,580	1,157,456
Tourism Marketing			
Operating	123,807	123,585	99,144
Transfers	—	105,070	—
Total Tourism Marketing	123,807	228,655	99,144
Marina			
Operating	32,717	20,374	77,775
Waterfront Park			
Operating	374,121	512,997	456,648
Debt	309,098	309,098	309,098
Total Waterfront Park	683,219	822,095	765,746
Other Downtown Operations			
Personnel	123,772	171,195	171,582
Benefits	38,353	52,236	65,201
Operating	300,514	116,685	77,114
Capital	3,393	15,301	—
Total Other Downtown Operations	466,032	355,417	313,897
Parking			
Operating	18,265	9,400	21,800
Debt	—	48,576	—
Total Parking	18,265	57,976	21,800
Total Parking and Tourism Fund Expenditures	\$ 3,415,791	\$ 3,633,368	\$ 3,201,100

Expenditures Supported by Local Hospitality and Local Accommodations Taxes



Category and Reason for any Major Increases in Fiscal Year 2021 Budget

Not applicable this fiscal year.



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Stormwater Fund

This new fund was created to account for the collections of Stormwater Utility fees and the associated costs of maintaining the City's Stormwater Management activity.

Recent Performance Accomplishments

Using in house talent, completed the Aster Street Drainage Project at a significant cost savings to the City.

Performed eight miles of drainage easement maintenance.

Continued regular maintenance of City drainage infrastructures.

Battery Shores drainage install and roadside drainage maintenance.

Battery Shores pond maintenance and tree removal.

Battery Shores, Otter Circle, and Mustiladae Drive drainage projects to begin in August 2020.

Performance Measurements to Track Recent Accomplishments

Completed drainage projects- Aster Street as well as roadside cleanout throughout Battery Shores neighborhood. Flume repair on Duke Street.

Continued routine vacuum truck efforts for drainage structures throughout the City.

Battery Shores and Cottage Farm drainage projects starting August 2020.

Current Performance Initiatives

Support drainage efforts to focus on sustainability and rising sea levels by partnering with College of Charleston's study.

Support the nine challenged drainage areas.

Jane Way Canal anticipate work commencing beginning of June.

Calhoun Street survey work underway.

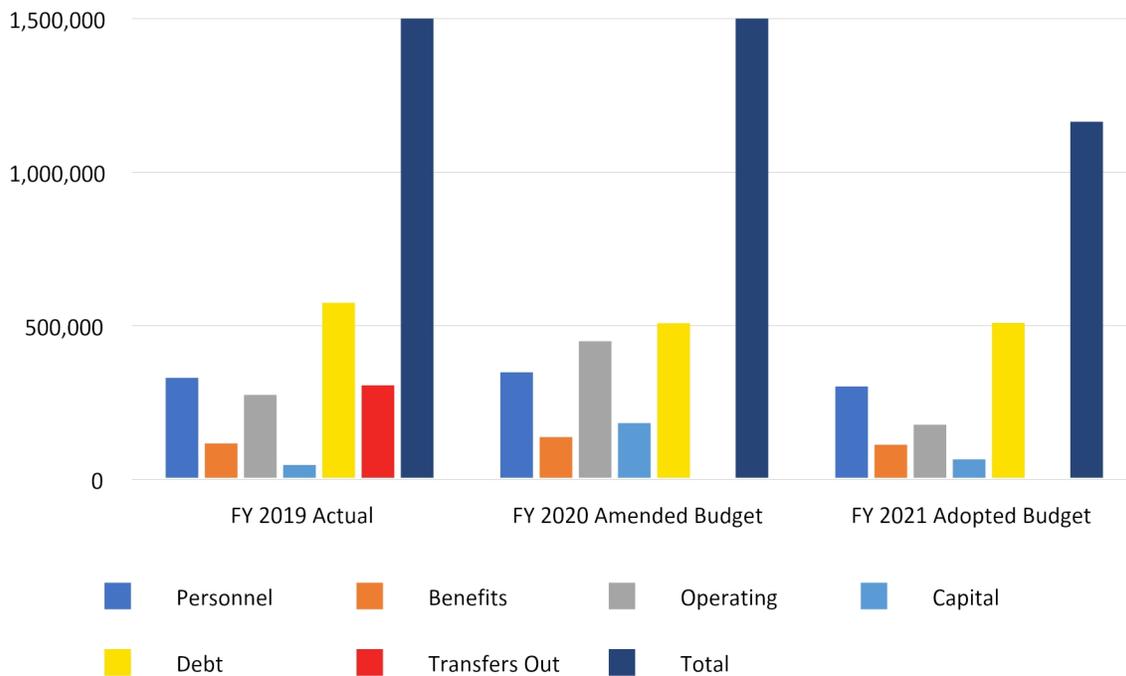
Hay Street submitted permitting/approval for drainage improvements.

Complete Twin Lakes and Battery Shores drainage projects.

Complete drainage outfall maintenance at Cottage Farms.

Fund Revenues and Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Revenues			
Stormwater Utility Fees	\$ 1,092,475	\$ 1,100,000	\$ 1,100,000
Proceeds from Issuance of Debt	6,000,000	—	
Total Revenues	<u>\$ 7,092,475</u>	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>
Expenditures			
Personnel	329,149	347,349	302,083
Benefits	116,081	136,791	111,771
Operating	274,008	448,411	177,618
Capital	45,977	182,000	64,000
Debt	573,980	507,909	508,126
Transfers Out	305,431	—	—
Total Expenditures	<u>\$ 1,644,626</u>	<u>\$ 1,622,460</u>	<u>\$ 1,163,598</u>



Fiscal Year 2021 Budget Highlights

Capital is for a Mower Max.

Excess expenditures over revenues are to be funded by excess restricted fund balance from prior years.



State Accommodations Fund

The purpose of the State Accommodations Fund is to account for the receipt of the 2% State Accommodations sales tax from transient room rentals within the City limits and the restricted to tourism related expenditures in accordance with State Law.

Fund Revenues and Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Revenues			
State Accommodations Tax	\$ 540,401	\$ 550,000	\$ 471,750
Total Revenues	<u>\$ 540,401</u>	<u>\$ 550,000</u>	<u>\$ 471,750</u>
Expenditures			
Personnel	\$ 35,704	\$ 16,618	\$ 17,723
Benefits	23,976	7,952	6,203
Operating	425,112	328,930	350,524
Capital	—	150,000	50,000
Transfers Out	50,684	51,500	47,300
Total Expenditures	<u>\$ 535,476</u>	<u>\$ 555,000</u>	<u>\$ 471,750</u>

Fiscal Year 2021 Budget Highlights

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 adopted budget includes a portion of the capital reimbursement back to the General Fund to replenish the committed fund balance for capital projects as originally intended in FY 2020 adopted budget. The balance will be funded with excess actual revenues or subsequent year budgets.

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 improvement related Fire services.

Fund Revenues and Expenditures

	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Adopted Budget
Revenues			
Fire Impact Fees	\$ —	\$ —	\$ 119,363
Total Revenues	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 119,363</u>
Expenditures			
Capital	—	—	70,400
Total Expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 70,400</u>

Fiscal Year 2021 Budget Highlights

One fire truck costing \$110,000 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.

Capital Improvement Plan

Capital Improvement Plan Mission Statement

The mission of the Capital Improvement Plan (CIP) is to account and report financial resources for capital expenditures for the activities that are inline with City's Comprehensive Plan and Strategic Civic Master Plan.

Long-term Financial Planning

The City has developed a Capital Improvement Plan that is tied with the City's Comprehensive Plan and Strategic Civic Master Plan. Each year of the plan is funded through the budget appropriation process with subsequent years estimated based on current year costs. The Comprehensive Plan and Civic Master Plan form to public and private investment in the City. This effort allows Council, businesses and citizens to plan more strategically those investments and neighborhood groups to better plan improvements as well. Using a long range planning process allows the City to plan for future needs as well as up or downturns in the economy.

Stormwater Capital Projects

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 1st Quarter 2019 and the engineering analysis completed for 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.

Adopted FY21 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 II area. A \$1 million dollar grant has been awarded and a portion of the \$6 million dollar GO Bonds that was secured in FY 2019 will be used to fund the Mossy Oaks Basin II.

A Land and Water Conservation Fund Grant for infrastructure renovations at Waterfront Park (Relieving Platform) and other Park needs. A grant award of \$500,000 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.

A Rural Infrastructure Authority Grant for \$500,000 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. They include the following projects: Allison Road Project, Johnny Morrall Pipe Outfall, and Lafayette Street Outfall.

ACTIVE CAPITAL PROJECTS FOR FY 2021 WITH FUNDING SOURCES

Active Capital Projects

Description	Estimated Original Budget	Modified Budget	Active Capital Project and Fully Funded
<u>City Facilities</u>			
Carnegie Building	\$ 188,500	\$ 188,500	Yes
<u>Stormwater</u>			
Mossy Oaks Basin 1	3,029,150	3,029,150	Yes
Mossy Oaks Basin 2	1,709,255	2,898,782	Yes
Lafayette Street Outfall- Engineering Only	16,714	16,714	Yes
Calhoun Street Drainage- Engineering Only	192,751	192,751	Yes
Kings Ridge Outfall- Engineering Only	19,061	19,061	Yes
Hay Street Outfall- Engineering Only	39,415	39,415	Yes
<u>Streets</u>			
SC 170 Sidewalk Extension- Engineering Only	25,169	25,169	Yes
Whitehall Boardwalk	300,000	300,000	Yes
Allison Road	1,930,536	1,500,000	Yes
<u>Marina & Parks</u>			
Waterfront Park Foundation and Playground Equipment	620,000	1,000,000	Yes
Total	\$ 8,070,551	\$ 9,209,542	

ACTIVE CAPITAL PROJECTS FOR FY 2021 WITH FUNDING SOURCES

Funding Sources for Active Capital Projects

Description	Funding						
	Prior Year Stormwater Funding	Grant Funding	Prior Year General Fund	Bond Funds	Committed Fund Balance	TIF II	Partners
<u>City Facilities</u>							
Carnegie Building	\$ —	\$ 188,500	\$ —	\$ —	\$ —	\$ —	\$ —
<u>Stormwater</u>							
Mossy Oaks Basin 1	—	500,000	—	2,529,150	—	—	—
Mossy Oaks Basin 2	—	1,000,000	—	1,852,827	—	—	45,955
Lafayette Street Outfall- Engineering Only	—	—	—	16,714	—	—	—
Calhoun Street Drainage- Engineering Only	—	—	—	192,751	—	—	—
Kings Ridge Outfall- Engineering Only	—	—	—	19,061	—	—	—
Hay Street Outfall- Engineering Only	—	—	—	39,415	—	—	—
<u>Streets</u>							
SC 170 Sidewalk Extension- Engineering only	—	—	—	—	—	25,169	—
Whitehall Boardwalk	—	—	—	—	—	—	300,000
Allison Road	—	1,000,000	—	425,000	—	—	75,000
<u>Marina & Parks</u>							
Waterfront Park Foundation and Playground Equipment	—	500,000	—	—	500,000	—	—
Total	\$ —	\$ 3,188,500	\$ —	\$ 5,074,918	\$ 500,000	\$ 25,169	\$ 420,955

CAPITAL IMPROVEMENT PLAN: FY 2021 THROUGH FY 2025

Item	Project Description	Modified Budget	Funding Committed				Priority Tier Level			
			Grant	Partnership	TIF II	Bond	Tier 1: 1-2 years	Tier 2: 2-3 years	Tier 3: 3-4 years	Tier 4: 4+ years
<u>City Facilities Projects</u>										
1	Carteret Street Facility Improvements	230,000		198,000			230,000			
2	Upfit to 2nd Floor Police Department- pending tenant	400,000			400,000					400,000
3	Arsenal Walls Major Repair- can be phased	670,000					670,000			
4	Land Purchase for Parking at Municipal Complex	300,000				300,000				
<u>Street Resurfacing Projects</u>										
5	Twin Lakes	125,000				125,000				
6	East Road	85,000								
7	Commerce Park- Schwartz Road	230,000				230,000				
8	Commerce Park- Schork Road	295,000				295,000				
<u>Drainage Projects</u>										
9	Broad Street Drainage Ditch	1,197,923				9,898		1,197,923		
10	Battery Shores Drainage- in house project- remove	85,000					85,000			
11	Kings Ridge Outfall	120,000				19,061		120,000		
12	Lafayette Drainage	450,000		100,000		16,714	450,000			
13	Johnny Morral Pipe Outfall	1,802,238				156,000	502,238			
14	Cottage Farm Drainage	28,000					28,000			
15	Hay Street Drainage	515,241				39,415		515,241		
16	The Point	3,969,156								3,969,156

CAPITAL IMPROVEMENT PLAN: FY 2021 THROUGH FY 2025 (CONTINUED)

Item	Project Description	Modified Budget	Funding Committed				Priority Tier Level			
			Grant	Partnership	TIF II	Bond	Tier 1: 1-2 years	Tier 2: 2-3 years	Tier 3: 3-4 years	Tier 4: 4+ years
	<u>Other Projects</u>									
17	Calhoun Streetscape & Drainage	3,000,000				192,751		3,000,000		
18	Parallel Road Extension to Hogarth	8,000,000			2,350,000					8,000,000
19	Duke Street- Phase III	650,000						150,000		
20	Greene Street Streetscape- Phase I	650,000							150,000	
21	Greene Street Streetscape- Phase II	650,000								150,000
22	Greene Street Streetscape- Phase III	650,000								150,000
23	Washington Street Park- Park Improvements (Pavilion Only)	100,000						100,000		
24	Marina Bathrooms and Store	500,000							500,000	
25	Spanish Moss Trail Extension to Downtown	200,000						200,000		
26	Baby Boundary- in discussion									—
27	Parking Garage	8,000,000								8,000,000
28	Marina Gas Tanks Replacement	450,000					450,000			
29	Waterfront Park Seawall and Bulkhead Analysis	75,000					75,000			
30	Southside Park Improvements	100,000							100,000	
	Total Capital Improvement Plan Projects	33,527,558	298,000	2,750,000	433,839	2,245,238	5,953,164	4,719,156	16,700,000	

GLOSSARY OF TERMS

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader in understanding these terms, a budget glossary of terms has been included.

Accrual - Represents liabilities and non-cash-based assets used in accrual-based accounting. These account types include, but are not limited to, accounts payable and accounts receivable.

Appropriation - The legal authorization granted by a legislative body (City Council) to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in both amount and time.

Assessed Value - The estimated value placed on real and personal property by the County's Assessor used the basis for levying property taxes.

Audit - A methodical examination of the use of resources. It concludes in a written report of its findings and it is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used. Prepared by an independent certified public accountant (CPA), an audit's primary objective is to determine if the City's financial statements fairly present the City's financial position and results of operation in conformity with generally accepted accounting principles.

Balanced budget - A budget in which revenues fully cover expenditures. Appropriations may be made from prior year fund balance provided favorable reserves are maintained.

Bond - A form of borrowing which reflects a written promise to pay a specified sum of money, called the face value or principal amount, at a specific date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate.

Budget - A comprehensive financial plan of operation which incorporates an estimate of proposed expenditures for a given period and the proposed means of financing them.

Capital Expenditures - The City considered items which cost more than \$5,000 and have a useful life of greater than one year to be capital assets.

Capital Improvement Plan (CIP) - A plan of capital improvement expenditures to be incurred each year over a period of the project's life, setting forth each capital project, the amount to be expended and the proposed method of funding the project.

Debt Limit - The maximum amount of general obligated debt which is legally permitted. The State of South Carolina forbids cities from incurring debt in excess of 8% of the total assessed valuation of taxable property within the City.

Debt Service - The payment of principal and interest on borrowed funds, such as bonds.

Department - An organizational unit of the City which manages an operation or group of related operations within a functional area.

Fiscal Year (FY) - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Beaufort's fiscal year begins July 1st and ends the following June 30th.

Full-Time Equivalent (FTE) - A position which works a 40-hour week on an ongoing basis and is specifically authorized for ongoing funding by classification in the annual budget. Two part-time positions equal one FTE. Most Public Safety (Fire and Police) employees work in shifts. The normal Fire employee shift is 96 work hours during a two-week period, while a normal Police employee shift is 85.5 work hours during a two-week period.

Fund - A fiscal and accounting entity that has self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance - The difference between governmental fund assets and liabilities. Fund Balance is intended to serve as a measure of the current financial resources available in a governmental fund.

General Fund - The fund used to account for all financial resources except those required to the accounted for in another fund. This is considered the City's chief operating fund.

General Obligation (G.O.) Bonds - When the City pledges its full-faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (G.O.) bonds. These bonds are usually repaid from taxes relating to debt.

Governmental Funds - Funds generally used to account for tax-supported activities that rely mostly on current assets and current liabilities. These are five different types of governmental funds: General, Special Revenue, Debt Service, Capital Projects and Permanent Funds.

Intergovernmental Revenue - Revenue received from other governments, whether local, state or federal, usually in the form of grants, shared revenues or payments in lieu of taxes.

Mill - A tax rate based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

Modified Accrual Accounting - A basis of accounting in which expenditures are accrued, but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability, while revenues are not recorded until they are actually received or are "measurable and available". It is recommended as the standard for most governmental funds.

Operating Budget - A financial plan for the City's general operations, such as salaries, contract services, utilities and supplies.

Performance Indicators - Statistical information which denotes the demands for services with a department.

Property Tax - Property taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate applied.

Special Revenue Fund - A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Tax Increment Financing (TIF) - Funding of public investments in an area slated for development by capturing for a time, all or a portion of, the increased tax revenue that may result when the development stimulates private investment. As private investments add to the tax base within the development area, the increased tax revenue can only be used for public purposes permitted by ordinance.