

City of Beaufort, South Carolina



Annual Adopted Budget and Capital Improvement Plan Fiscal Year 2019-2020



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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:

WHERE HISTORY, CHARM, AND BUSINESS THRIVE

As we prepare this budget, we are fortunate to have many residents and visitors appreciate Beaufort's character, as demonstrated by ongoing accolades from popular, national publications, as well as the engagement displayed by many citizens. This budget will follow the many interesting goals and initiatives we have underway that aim to usher in fresh dialogue and protect what makes this community special.

The Beaufort 2030 Futures Lab and the Council Retreat have helped us look at trends, good and bad, and they will create larger, ongoing conversations and call to action for residents, businesses, non-profits, and other government agencies to become part of our community and to find their identity with the City of Beaufort, by working alongside each other to help us grow and develop our City in a healthy way.

"the distinction between the past, present and future is only a stubbornly persistent illusion"

ALBERT EINSTEIN

Einstein's famous quote has other more relevant applications to local governments like us. Several of these are particularly applicable to the FY 2019/2020 budget, including 1) Are we still in the midst of a long recovery or are we nearer to the next big downturn; 2) Is the City of Beaufort rural, suburban, or urban - what do we want it to be: 3) Are we preparing for the future, protecting the past or creating the present (recognizing that some of our goals and trends span the gamut).

In order to execute any of these goals and new initiatives, we must execute smart financial planning that allows a stable and predictable tax rate, while maintaining a high level of services to our citizens. Each year, this includes both predictable and new challenges.

The primary challenge facing FY2020 comes from the investment we must make in infrastructure, especially stormwater management and developing plans for addressing rising sea levels. Although the City has experienced significant new growth, this growth has been absorbed by our required investment in our many infrastructure needs.

We are continuing to work with the county and our legislature to stop the downshifting of cost and to identify additional revenue opportunities, like supporting a Local Option Sales Tax (LOST) for cities and towns.

Maintaining infrastructure in good condition and planning for future environmental affects is critical to economic development, public safety, and high quality of life, and is identified as a priority in our Strategic Plan along with the need to provide housing that is affordable for our workforce.

I submit the proposed budget for the fiscal year 2019/2020 (FY 2020). This balanced budget is designed to focus on results and addresses the seven major goals in our Strategic Plan. Our overriding goal with this budget is to address the needs of our citizens today, while preparing the community for a more balanced and prosperous future.

Specifically, the proposed FY 2020 annual operating budget of \$23,645,812, across all funds is \$669,889 more than last year's original budget of \$22,975,923, an increase of 2.9%. For the General Fund in particular, the proposed budget is \$18,055,389, an increase of 2% over the original adopted budget for the current fiscal year. The only proposed increase to revenues is a 2.2% CPI increase to the property tax millage rate in accordance with Council's direction to apply this increase annually. Our staff has worked hard to provide strategies to fund what is needed today, what is desired for tomorrow, and appropriately plan for what the future may bring to the best of their ability.

Beaufort is a growing city that is becoming more and more popular and services a population of over 60,000 people. Our residents receive a full array of quality municipal services, ranging from public safety to solid waste. This budget provides for the continuation of all municipal services at substantially the same if not better service levels as FY 2019. This budget does make modifications to several areas, largely stormwater management, economic development, and programs to achieve our goals to provide housing that is affordable.

In addition, this budget also supports the City Council's strategic goals in the following ways:

- Our Fund Balance Policy to ensure an unrestricted unassigned fund balance of 28%.
- Our investment in Economic Development will equate to approximately 10% of the Business License revenue.
- We will be investing over \$6.0 million in storm water projects in nine locations throughout the City and develop a plan to provide long-term resiliency.
- We will allocate significant funding to create housing that is affordable.
- We have allocated funding to support our work with community partners to solve issues that go beyond the city's sole responsibility.
- We have allocated funding to improve our use of technology, especially artificial Intelligence, throughout our departments.

This proposed budget focuses on maintaining a solid base of core services, advancing the City Council's strategic goals, and aligning our organizational structure in a more streamlined and responsive way. This budget allows the resources that we believe are necessary for us to stay on our current and ambitious course of completing our projects on time, on budget, and to provide excellent customer service to all our citizens and visitors.

I want to thank our entire City staff for their continued service to our community and assistance in the development of this recommended budget. I also, want to extend a special thank you to Rebecca Ryan, our Futurist Consultant, who made us look “outside our comfort zone” and to recognize some trends and facts that we are going to have to deal with. I thank our Finance Director, Kathy Todd and her staff for helping us put all the parts of this puzzle together in a very clearly presented document.

Finally, I would like to thank the City Council for this opportunity and for providing open, transparent, and clear expectations throughout the Strategic Plan and budget development process.

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, 2018

Christopher P. Morrill

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, 2018. 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.

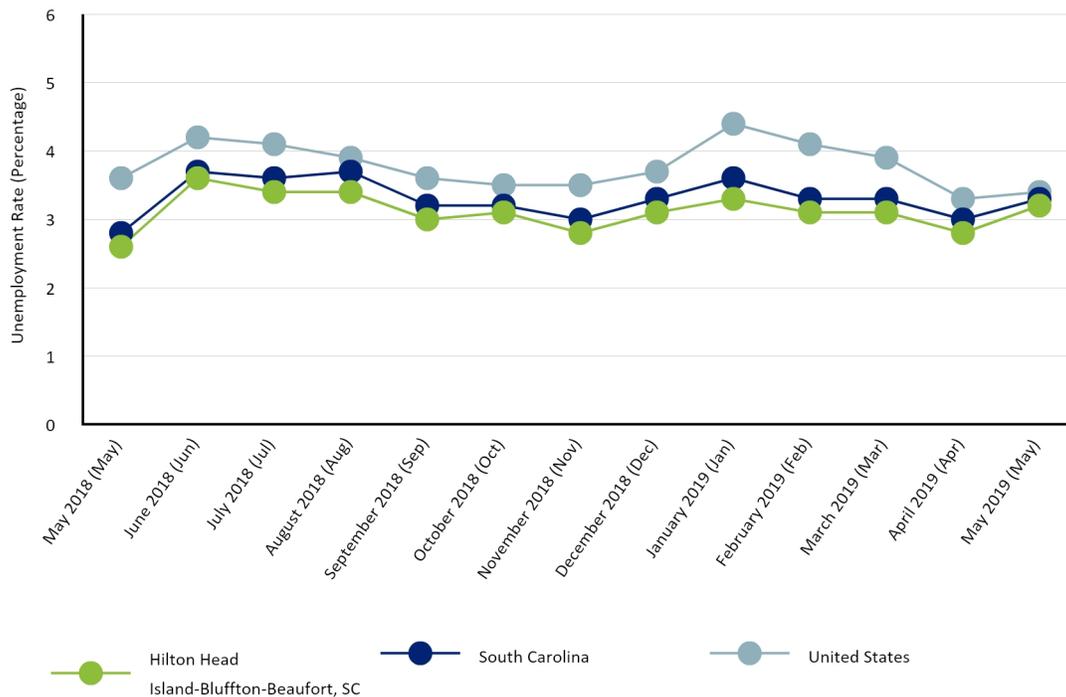
The tourism and hospitality industry is another major economic sector by bringing nearly two million visitors a year to Beaufort and the surrounding Sea Islands. The primary attractions of these visitors include recreation, history, local arts and beach vacations such as Hunting Island State Park. Tourists will continue to visit now that Beaufort was recently named on the list of the 2018 Prettiest Towns in the South 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	2018		
	Taxable Assessed Value	Rank	% of Total City Net Assessed Value
Wal-Mart Real Estate BusinessTrust	\$ 2,042,390	1	2.29%
USPG Portfolio Eight, LLC	1,189,050	2	1.33%
303 Associates, LLC	1,009,630	3	1.13%
Ribaut Holdings, LLC	965,680	4	1.08%
Hotel Beaufort LP	611,350	5	0.69%
Lowes Home Center, Inc.	602,600	6	0.68%
HMV Hotels LLC	563,480	7	0.63%
Cross Creek Apartments Holdings. LLC	555,710	8	0.62%
Beaufort Dealership Properties LLC	462,360	9	0.52%
Beaufort Plaza, Inc.	451,350	10	0.51%

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



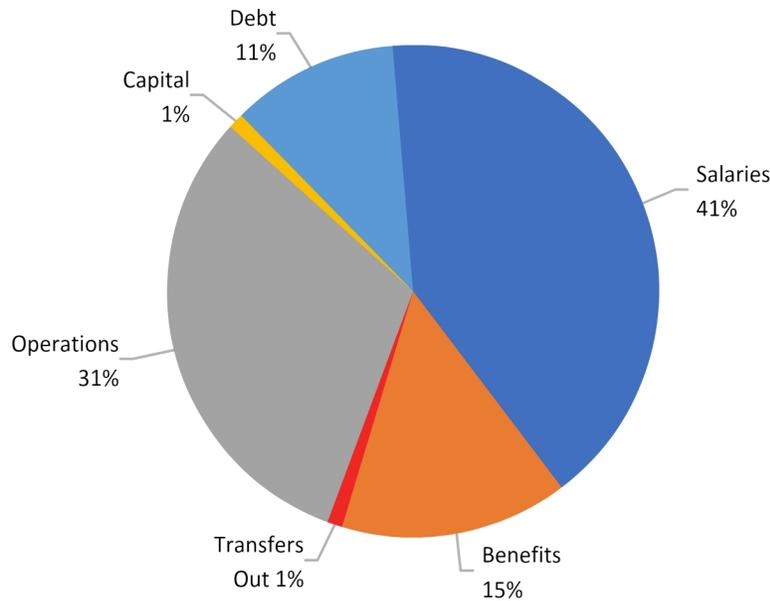
ORGANIZATION CHART



CONSOLIDATED FY20 ADOPTED BUDGET SUMMARY

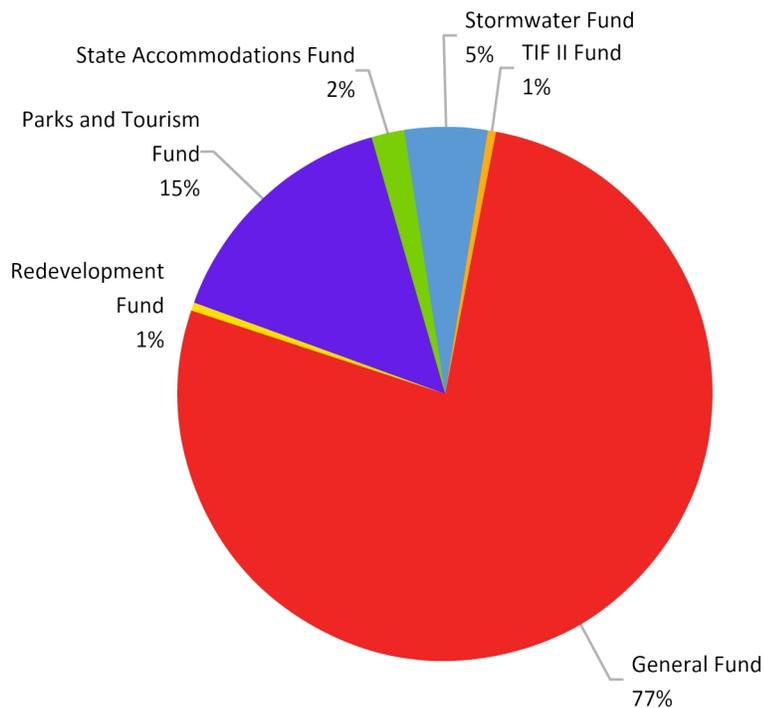
	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Redevelopment Fund	Total
Revenues	\$ 17,850,389	\$ 90,000	\$ 3,554,826	\$ 1,100,000	\$ 555,000	\$ 12,400	\$ 23,162,615
Salaries	7,708,821	—	1,434,478	347,349	16,618	—	9,507,266
Benefits	2,831,434	—	536,403	136,791	7,952	—	3,512,580
Operating	5,519,363	—	1,129,777	294,147	328,930	12,400	7,284,617
Capital	165,000	—	40,000	182,000	150,000	—	537,000
Debt	1,830,772	—	309,098	507,909	—	—	2,647,779
Transfers	—	—	105,070	—	51,500	—	156,570
Total	\$ 18,055,390	\$ —	\$ 3,554,826	\$ 1,468,196	\$ 555,000	\$ 12,400	\$ 23,645,812
Net (Deficit)	\$ (205,001)	\$ 90,000	\$ —	\$ (368,196)	\$ —	\$ —	\$ (483,197)

Percentage of Expenditures covered by Revenues



CONSOLIDATED REVENUE BUDGET SUMMARY

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Change	% Change
General Fund	\$ 17,760,884	\$ 17,660,321	\$ 17,850,389	\$ 190,068	1.08%
Special Revenue Funds					
Parks and Tourism Fund	3,349,375	3,504,985	3,554,826	49,841	1.42%
State Accommodations Fund	551,453	549,311	555,000	5,689	1.04%
Stormwater Fund	850,119	1,065,306	1,100,000	34,694	3.26%
TIF II Fund	179,425	—	90,000	90,000	100%
Redevelopment Fund	12,126	12,300	12,400	100	0.81%
	<u>\$ 22,703,382</u>	<u>\$ 22,792,223</u>	<u>\$ 23,162,615</u>	<u>\$ 370,392</u>	<u>1.63%</u>



FY20 CONSOLIDATED REVENUE BUDGET HIGHLIGHTS

- Property Tax estimates:
 - Taxable Assessed Value (TY 2019 estimated) = \$94,844,003
 - This represents an overall project growth of \$1,911,703 or 2.1%.
 - Real property taxable assessed value is projected to grow 4.5% over TY 2017, but personal property taxable assessed value is projected to decrease 12% and vehicle property tax is projected to decrease 9.7%.
 - Value of a Mil for TY 2018 is \$92,932 and \$94,844 for TY 2019.
- Property Tax in the General Fund includes an estimated growth and CPI increase in the operating mil of 2.2%, or 1.18 mils, no change the debt mil over the previous year and a continuation of the reserve mils at 2 mils to fund future infrastructure repairs.
 - Growth adds an estimated \$163,117 and the mil adjustment for CPI adds \$111,881 for a total \$274,998 increase to the City's property tax revenues.
 - The adopted budget contains no increase to the debt mils and no increase to the reserve mil.
- Reimbursement of the SAFER grant for the Fire Department personnel adds \$484,000 to the General Fund intergovernmental revenues. This is a 27% decrease over the previous year as we move half way during FY 2020 into the third year of the grant.
 - Reimbursement rate for the first half of FY 2020 is 75% and 35% for the later half of the same fiscal year.
- Overall revenue growth of the General Fund is estimated at 0.9% over FY 2019 or \$156,068.
- Local hospitality and accommodations taxes reported in the Park & Tourism fund is estimated to increase by 1.4% or \$49,841 over FY 2019.
- Stormwater Utility Fund revenues are estimated to increase 3.3% or \$34,694.

CONSOLIDATED EXPENDITURE BUDGET SUMMARY

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Change	% Change
General Fund					
Salaries	\$ 7,927,187	\$ 7,602,976	\$ 7,708,821	\$ 105,845	1.39 %
Benefits	2,685,124	2,750,950	2,831,434	80,484	2.93 %
Operations	4,895,335	5,392,988	5,519,363	126,375	2.34 %
Capital	3,013,047	295,745	165,000	(130,745)	(44.21%)
Debt	1,356,050	1,826,651	1,830,772	4,121	0.23 %
Transfers Out	159,193	732,000	—	(732,000)	(100)%
Total General Fund	\$ 20,035,936	\$ 18,601,310	\$ 18,055,390	\$ (545,920)	(2.93)%
Parks and Tourism Fund					
Salaries	\$ 252,194	\$ 1,429,722	\$ 1,434,478	\$ 4,756	0.33 %
Benefits	86,248	530,404	536,403	5,999	1.13 %
Operations	723,492	1,157,749	1,129,777	(27,972)	(2.42)%
Capital	347,334	94,800	40,000	(54,800)	(57.81)%
Debt	309,098	309,109	309,098	(11)	— %
Transfers Out	—	—	105,070	105,070	100 %
Total Parks and Tourism Fund	\$ 1,718,366	\$ 3,521,784	\$ 3,554,826	\$ 33,042	0.94 %
Stormwater Fund					
Salaries	\$ 104,898	\$ 291,953	\$ 347,349	\$ 182,668	18.97 %
Benefits	33,068	128,490	136,791	8,301	6.46 %
Operations	438,668	289,557	294,147	(401,708)	1.59 %
Capital	55,000	—	182,000	182,000	100 %
Debt	—	546,420	507,909	(38,511)	(7.05)%
Transfers Out	129,198	—	—	—	— %
Total Stormwater Fund	\$ 760,832	\$ 1,256,420	\$ 1,468,196	\$ 211,776	16.86 %
State Accommodations Fund					
Salaries	\$ 76,552	\$ 35,704	\$ 16,618	\$ (19,086)	(53.46)%
Benefits	21,132	16,376	7,952	(8,424)	(51.44)%
Operations	431,182	446,016	328,930	(117,086)	(26.25)%
Capital	—	—	150,000	150,000	100 %
Transfers Out	51,323	51,216	51,500	284	0.55 %
Total State Accommodations Fund	\$ 580,189	\$ 549,312	\$ 555,000	\$ 5,688	1.04 %
TIF II Fund					
Operations	\$ 79,452	\$ 15,701	\$ —	\$ (15,701)	(100)%
Capital	46,331	170,000	—	(170,000)	(100)%
Transfers Out	4,226,184	2,387,423	—	(2,387,423)	(100)%
Total TIF II Fund	\$ 4,351,967	\$ 2,573,124	\$ —	\$ (2,573,124)	(100)%
Redevelopment Fund					
Salaries	\$ 69,510	\$ —	\$ —	\$ —	— %
Benefits	24,047	—	—	—	— %
Operations	406,488	18,371	12,400	(5,971)	(32.50)%
Capital	29,895	—	—	—	— %
Total Redevelopment Fund	\$ 529,940	\$ 18,371	\$ 12,400	\$ (5,971)	(32.50)%
Total All Funds	\$ 27,977,230	\$ 26,520,321	\$ 23,645,812	\$ (2,874,509)	(10.84)%

FY20 CONSOLIDATED EXPENDITURE BUDGET HIGHLIGHTS

Salaries and Benefits

- Two and a half (2.5) new Full Time Employees. Communications Coordinator in the City Manager's Department, an additional Business License Inspector in the Finance Department and a part-time administrative assistant in the Fire Department.
- Increase in Retirement Contribution by PEBA of 1%.
- General Fund salaries and benefits increased 1.8%, Parks and Tourism salaries and benefits increased .55% and Stormwater salaries and benefits increased 18.97%.

Operations

- Overall decreased of 2.55%. General Fund decreased 3.95% due to decrease in General Fund revenues; Parks and Tourism increased a modest 1%; Stormwater increased 16.86%

Capital

- Decreased 4.2% from \$560,545 in FY 2019 to \$537,000 in FY 2020.
- Stormwater Fund includes cost of an excavator and the State Accommodations fund proposed the use of \$150,000 towards the renovation of the Arsenal windows and bathroom.

Debt

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

BUDGET ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR THE CITY OF BEAUFORT FOR FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020; 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, 2019 and ending June 30, 2020, 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, 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, 2019 and ending June 30, 2020, 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 August 13, 2019 meeting.

SECTION 2. MILLAGE

The Beaufort County Auditor is hereby authorized and directed to levy the Fiscal Year 2019 - 2020 a tax of 75.77 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	54.80
City Debt Service	18.97
City Reserve Mil	2.00

SECTION 3. CITY OPERATIONS APPROPRIATION

An amount of \$23,645,812 is appropriated to the City of Beaufort to fund City Operations as follows:

	<u>Appropriation</u>
<u>General Fund</u>	
Non Departmental	\$ 163,572
City Council	159,287
City Manager	531,776
Finance	842,262
Human Resources	203,068
Information Technology	459,064
Municipal Court	489,395
Community and Economic Development	959,472
Police Operations	4,242,628
School Resource Officer	333,309
School Crossing Guards	27,712
Victims Rights	84,424
Beaufort Fire	5,265,812
Public Works	337,637
Streets & Traffic	877,840
Facilities Maintenance	511,645
Solid Waste	735,715
Debt Service	1,830,772
Total General Fund	<u>\$ 18,055,390</u>
<u>Parks & Tourism Fund</u>	
Police Operations	\$ 1,329,580
Marina	20,374
Waterfront Park Operations	788,519
Parking	34,400
Other Parks & Tourism	819,271
Other Downtown Operations	334,027
Tourism Marketing	228,655
Total Parks & Tourism Fund	<u>\$ 3,554,826</u>
<u>Stormwater Utility Fund</u>	
Stormwater Utility Operations	\$ 960,287
Debt Service	507,909
Total Stormwater Utility Fund	<u>\$ 1,468,196</u>
<u>State Accommodations Fund</u>	
Police Operations	\$ 26,060
Other Tourism Operations	150,000
Designated Marketing Organization	166,500
ATAX Grant Awards	160,940
Transfers out	51,500
Total State Accommodations Fund	<u>\$ 555,000</u>
<u>Redevelopment Fund</u>	
	<u>\$ 12,400</u>
Total Appropriations	<u><u>\$ 23,645,812</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, 2019, 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	\$ 7,251,964
Licenses & Permits	4,005,150
Intergovernmental Revenue	2,569,073
Franchise Fees	2,041,468
Charges for Services	1,365,947
Fines and Forfeitures	267,500
Miscellaneous	97,717
Interest	95,000
Transfers In	156,570
Total General Fund	<u>\$ 17,850,389</u>
<u>TIF II Fund</u>	
Interest	\$ 90,000
Total TIF II Fund	<u>\$ 90,000</u>
<u>Parks & Tourism Fund</u>	
Other Taxes	\$ 2,920,976
Charges for Services	633,850
Total Parks and Tourism Fund	<u>\$ 3,554,826</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	\$ 555,000
Total State Accommodations Fund	<u>\$ 555,000</u>
<u>Redevelopment Fund</u>	
Charges for Services	\$ 12,400
Total Redevelopment Fund	<u>\$ 12,400</u>
Total Revenues	<u><u>\$ 23,162,615</u></u>

SECTION 5. ESTABLISHMENT OF A MASTER FEE SCHEDULE

A Master Fee Schedule listing all fees charged by the City for Fiscal Year 2020 is included and incorporated for reference as Attachment A.

SECTION 5. CITY DEBT SERVICE APPROPRIATION

The revenue generated by an 18.97 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 2018-2019 ENCUMBRANCES AND REMAINING GRANT AUTHORIZATIONS REAPPROPRIATED, RECORDING OF ASSIGNMENTS OF AMOUNTS APPROPRIATED FROM FUND BALANCE.

Encumbrances in each fund at June 30, 2019, representing obligations made against 2018-2019 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

2019-2020 budget year as such obligations are satisfied, provided that such encumbrances, when taken together with the FY 2018-2019 expenditures, do not cause any fund to exceed its budgetary authorization for the year ended June 30, 2019.

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 2019-2020 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 2020, are hereby approved.

SECTION 13. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2019. Approved and adopted on the second and final reading this 25th day of June 2019.



BILLY KEYSERLING, MAYOR

ATTEST:



IVETTE BURGESS, CITY CLERK

1ST Reading June 11, 2019

2nd Reading & Adoption June 25, 2019

Reviewed by: William Harvey III, City Attorney, June 4, 2019

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. 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. This draft budget is submitted to the Mayor and City Council at formal budget workshops held in April and 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

January 2019:	Begin planning for City Council retreat, establishing agenda
January 17 and February 13, 2019:	Beaufort 2030- Planning for the future
March 4, 2019:	Budget Entry at Level 1 available for departmental budget requests
March 11, 2019:	City Manager/Finance presentation at City Council Retreat on FY 2020 goals and revenue projections.
March 29, 2019:	All departmental Budget Requests completed by close of business
April 23, 2019:	City Manager presents FY 2020 Recommended Budget to City Council.
May 7, 2019:	Fire Department and Municipal Court Department Budget Presentations in Worksession
May 14, 2019:	Public Works and Downtown Operations Department Budget Presentation in Worksession
May 21, 2019:	Police Department, Community and Economic Development Department and Administrative Departments Budget Presentations in Worksession
May 28, 2019:	Publication date of Public Notice of Public Hearing for FY 2020 Budget
June 11, 2019:	Public Hearing on FY 2020 Budget in City Council meeting First Reading on FY 2020 Budget Ordinance in City Council meeting
June 25, 2019:	Second Reading and Adoption of FY 2020 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.

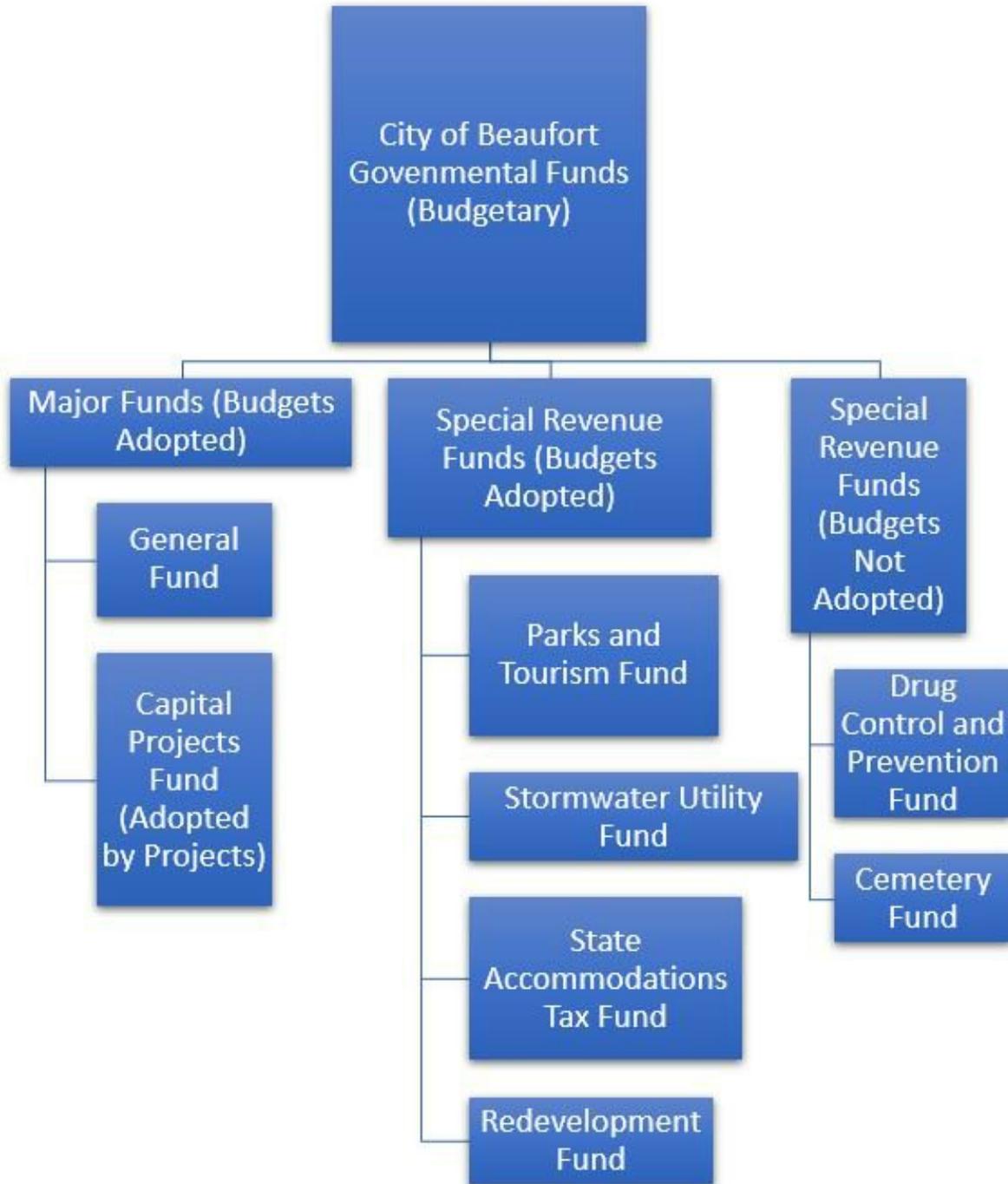
Any change in the budget which would increase or decrease the total of all authorized expenditures must be approved by City Council.

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 accounting 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.

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, parks and recreation, 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 and the Redevelopment Fund are Special Revenue funds budgeted through the City's Budget process. The TIF II Fund will be included in the budget process, but only to the extent of capital equipment and other direct operating costs. All capital infrastructure will be incorporated through the adoption of the Capital Improvement Plan now that the Incremental Tax revenue is no longer being collected as of June 30, 2017 and all associated debt of the TIF II Fund has been repaid.

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

- The **Parks 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.
- **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	Redevelopment 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	
Fire	X					
Public Works	X	X	X	X		
Downtown Operations			X			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 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.

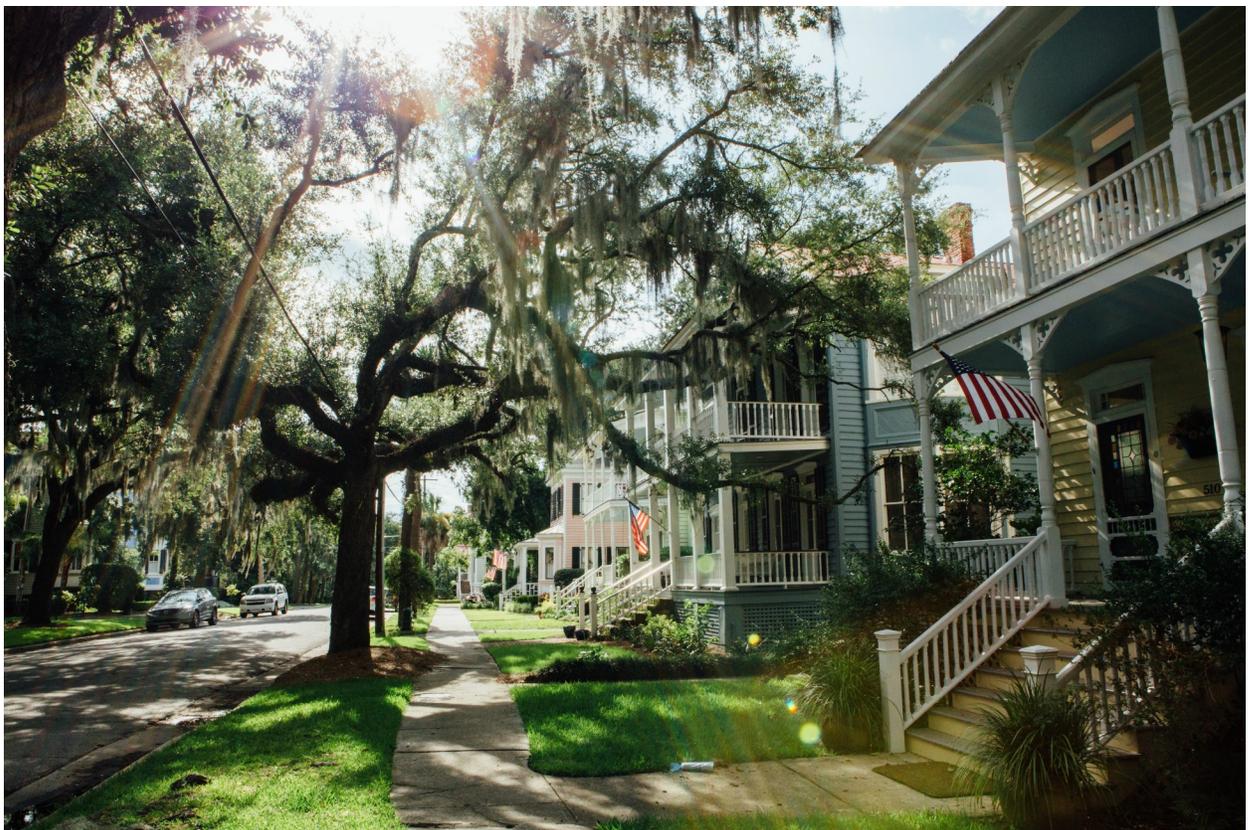
Goal 5: Initiate a plan to accommodate balanced growth through infill and community development within targeted areas of the City.

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 \$5,055,509 for FY 2020. The total estimated fund balance for the General Fund for the year beginning July 1, 2019 is \$7,530,000. No other fund balance policies exist.

A summary of the estimated changes in Fund Balance for FY 2020 follows:

	Beginning Fund Balance Estimate	Revenues and Other Sources	Expenditures and Other Uses	Ending Fund Balance Estimate	\$ Change	% Change
General Fund	\$ 7,530,000	\$ 17,850,389	\$ 18,055,390	\$ 7,324,999	\$ (205,001)	(2.8)%
Special Revenue Funds:						
State Accommodations Fund	90,310	555,000	555,000	90,310	—	— %
TIF II Fund	4,311,065	90,000	—	4,401,065	90,000	2.0 %
Parks and Tourism Fund	970,424	3,554,826	3,554,826	970,424	—	— %
Stormwater Fund	6,141,610	1,100,000	1,468,196	5,773,414	(368,196)	(6.4)%
Redevelopment Fund	138,700	12,000	12,000	138,700	—	— %
Total	<u>\$ 19,182,109</u>	<u>\$ 23,162,215</u>	<u>\$ 23,645,412</u>	<u>\$18,698,912</u>	<u>\$ (483,197)</u>	<u>(2.6)%</u>

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, 2018	\$ 104,474,910
Debt Limit - (8% of Total Assessed Value)	8,357,993
Current General Bonded Debt	<u>(1,564,226)</u>
Legal Debt Margin	<u><u>\$ 6,793,767</u></u>

The following is the City's breakdown of budgeted principal and interest for FY20 debt payments:

	Principal	Interest	Total
General Obligation Debt	\$ 1,359,000	\$ 515,046	\$ 1,874,046
Revenue Bonds	230,423	78,675	309,098
Capital Leases	376,022	88,613	464,635
Total	<u><u>\$ 1,965,445</u></u>	<u><u>\$ 682,334</u></u>	<u><u>\$ 2,647,779</u></u>

The City's debt millage rate remained the same at 18.97 mills in FY20.



SALARIES

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Recommended Budget	Increase (Decrease) from Prior Year	% Change
<u>General Fund</u>					
Non Departmental	\$ —	\$ 15,000	\$ 34,000	\$ 19,000	126.67 %
City Council	30,778	31,151	29,751	(1,400)	(4.49)%
City Manager	291,159	274,501	312,352	37,851	13.79 %
Finance	411,090	454,886	494,840	39,954	8.78 %
Human Resources	71,283	71,416	86,433	15,017	21.03 %
Municipal Court	306,697	317,657	294,285	(23,372)	(7.36)%
Community and Economic Development	353,929	494,183	489,395	(4,787)	(0.97)%
Police					
Command	2,951,734	2,237,363	2,348,051	110,688	4.95 %
School Resource Officers	175,931	179,072	217,441	38,370	21.43 %
School Crossing Guards	22,603	22,444	22,900	456	2.03 %
Victims Rights	59,024	61,839	62,815	976	1.58 %
Beaufort Fire	2,612,067	2,910,786	2,852,115	(58,670)	(2.02)%
Public Works					
Administration	362,852	228,479	155,015	(73,463)	(32.15)%
Streets	27,747	129,978	131,684	1,706	1.31 %
Traffic Maintenance	82,157	—	—	—	0.00 %
Vehicle Maintenance	40,873	—	—	—	0.00 %
Facilities Maintenance	127,265	174,222	177,742	3,520	2.02 %
Total General Fund Salaries	<u>\$ 7,927,187</u>	<u>\$ 7,602,976</u>	<u>\$ 7,708,821</u>	<u>\$ 105,845</u>	<u>1.39 %</u>
<u>Parks & Tourism Fund</u>					
Parks & Tourism	<u>\$ 252,194</u>	<u>\$ 1,429,722</u>	<u>\$ 1,434,478</u>	<u>\$ 4,756</u>	<u>0.33 %</u>
<u>Stormwater Fund</u>					
Stormwater	<u>\$ 104,898</u>	<u>\$ 291,953</u>	<u>\$ 347,349</u>	<u>\$ 55,397</u>	<u>18.97 %</u>
<u>State Accommodations Fund</u>					
State Accommodations	<u>\$ 76,552</u>	<u>\$ 35,704</u>	<u>\$ 16,618</u>	<u>\$ (19,086)</u>	<u>(53.46)%</u>
<u>Redevelopment Fund</u>					
Redevelopment	<u>\$ 69,510</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>0.00 %</u>
Total Salaries	<u><u>\$ 8,430,342</u></u>	<u><u>\$ 9,360,354</u></u>	<u><u>\$ 9,507,266</u></u>	<u><u>\$ 146,911</u></u>	<u><u>1.57 %</u></u>

FULL-TIME EQUIVALENTS BY FUND

<u>General Fund</u>	FY 2018 Actual FTE's	FY 2019 Adopted FTE's	FY 2020 Adopted FTE's	Change
City Council	5.00	5.00	5.00	—
City Manager ¹	3.60	3.00	4.00	1.00
Finance ¹	7.00	7.00	8.00	1.00
Human Resources	1.17	1.50	2.00	0.50
Municipal Court	7.20	7.00	6.00	(1.00)
Community and Economic Development	6.00	8.00	8.00	—
Police				—
Command	55.00	60.00	60.00	—
School Resource Officer	3.00	3.00	4.00	1.00
School Crossing Guards	4.00	4.00	3.00	(1.00)
Victims Rights	1.00	1.00	1.00	—
Beaufort Fire ¹	56.00	56.00	56.50	0.50
Public Works				—
Administration	6.40	6.00	6.00	—
Streets & Traffic Maintenance	3.00	4.00	3.00	(1.00)
Facilities Maintenance	3.50	4.50	4.00	(0.50)
Total General Fund Salaries	161.87	170.00	170.50	0.50
<u>Parks & Tourism Fund</u>				
Parks & Tourism	8.00	10.00	8.00	(2.00)
<u>Stormwater Fund</u>				
Stormwater	5.00	5.00	6.00	1.00
<u>State Accommodations Fund</u>				
State Accommodations	1.00	1.00	1.00	—
<u>Redevelopment Fund</u>				
Redevelopment	1.00	—	—	—
Total FTE's	176.87	186.00	185.50	(0.50)

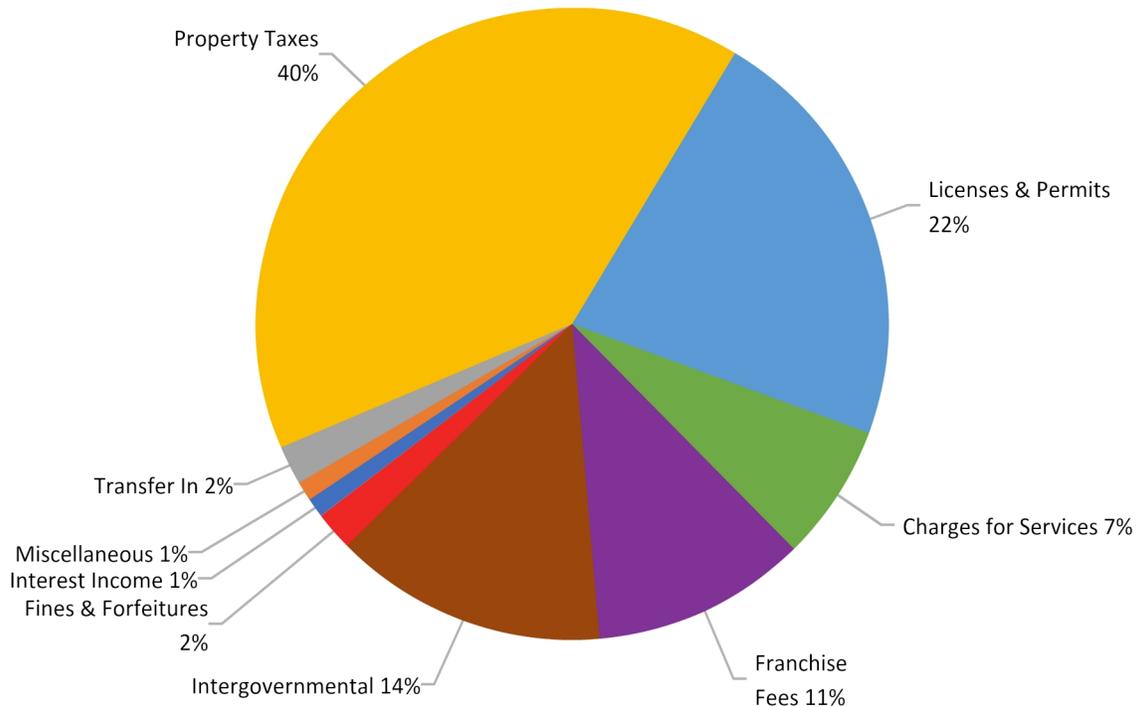
¹ Represents a true vacancy for recommended additional personnel in the following departments: City Manager (1) Communications Coordinator, Finance (1) Business License Inspector, Fire Department (.5) Part-time Administrative Assistant.

BENEFITS

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Recommended Budget	Change	% Change
<u>General Fund</u>					
Non Departmental	\$ —	\$ —	\$ —	\$ —	0.0 %
City Council	9,542	9,343	9,180	(163)	(1.7)%
City Manager	101,683	100,061	132,409	32,348	32.3 %
Finance	114,057	144,256	153,971	9,715	6.7 %
Human Resources	24,203	25,256	24,714	(542)	(2.1)%
Municipal Court	97,417	99,442	96,266	(3,177)	(3.2)%
Community and Economic Development	131,213	193,915	175,720	(18,195)	(9.4)%
Police					
Command	989,063	804,548	862,144	57,596	7.2 %
School Resource Officers	70,442	74,829	79,313	4,483	6.0 %
School Crossing Guards	3,714	3,932	4,133	201	5.1 %
Victims Rights	13,799	15,619	17,118	1,499	9.6 %
Beaufort Fire	925,580	1,096,595	1,114,251	17,656	1.6 %
Public Works					
Administration	120,494	62,468	56,052	(6,416)	(10.3)%
Streets	6,333	52,500	49,727	(2,773)	(5.3)%
Traffic Maintenance	26,148	—	—	—	0.0 %
Vehicle Maintenance	17,358	—	—	—	0.0 %
Facilities Maintenance	35,332	68,186	56,438	(11,748)	(17.2)%
Total General Fund Benefits	\$ 2,686,379	\$ 2,750,950	\$ 2,831,434	\$ 80,484	2.9 %
<u>Parks & Tourism Fund</u>					
Parks & Tourism	\$ 86,248	\$ 530,404	\$ 536,403	\$ 5,999	1.1 %
<u>Stormwater Fund</u>					
Stormwater	\$ 33,068	\$ 128,490	\$ 136,791	\$ 8,301	6.5 %
<u>State Accommodations Fund</u>					
State Accommodations	\$ 21,132	\$ 16,376	\$ 7,952	\$ (8,424)	(51.4)%
<u>Redevelopment Fund</u>					
Redevelopment	\$ 24,047	\$ —	\$ —	\$ —	0.0 %
Total Benefits	\$ 2,850,874	\$ 3,426,220	\$ 3,512,580	\$ 86,360	2.5 %

GENERAL FUND REVENUES SUMMARY

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 6,465,632	\$ 7,028,088	\$ 7,251,964	\$ 223,876
Licenses & Permits	4,153,137	3,973,150	4,005,150	32,000
Charges for Services	1,233,286	1,346,133	1,365,947	19,814
Franchise Fees	2,147,811	2,230,243	2,041,468	(188,775)
Intergovernmental	2,195,643	2,564,222	2,569,073	4,851
Fines & Forfeitures	251,583	313,000	267,500	(45,500)
Interest Income	36,827	20,000	95,000	75,000
Miscellaneous	410,206	134,269	97,717	(36,552)
Transfers In	51,323	51,216	156,570	105,354
Debt Proceeds	656,244	—	—	—
Total General Fund Revenues	\$ 17,601,691	\$ 17,660,321	\$ 17,850,389	\$ 190,068

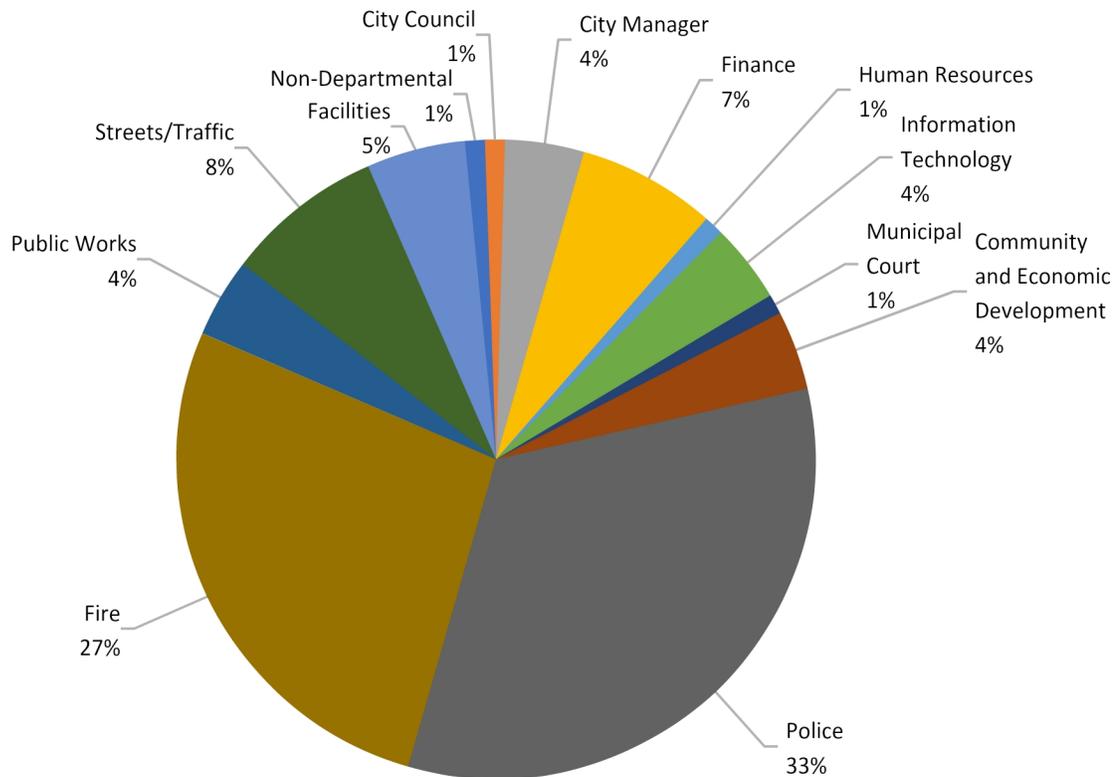


PROPERTY TAXES

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Current Property Taxes	\$ 3,966,067	\$ 4,523,759	\$ 4,798,757
Property Taxes - Debt Mil	1,501,812	1,717,054	1,762,835
Delinquent Property Tax	375,747	211,088	136,088
Penalties & Interest	31,426	33,196	33,196
Vehicle Property Taxes	356,123	330,620	294,696
Homestead Exemption	177,916	179,871	183,338
Motor Carrier	29,852	7,500	11,000
Payment in Lieu	26,690	25,000	32,054
Total Property Taxes	\$ 6,465,632	\$ 7,028,088	\$ 7,251,964
Taxable Assessed Value ¹	\$ 86,768,288	\$ 92,527,110	\$ 94,844,003
Value of Mil	\$ 86,768	\$ 92,527	\$ 94,844

¹ TY 2019 estimated taxable assessed value presented in FY 2020 Adopted budget is based on on County-wide Reassessment

Percentage of Property Tax Revenue to Net Department Expenditures



PROPERTY TAXES (CONTINUED)

- Represents the largest revenue source of the City, or approximately 41% of the total revenues.
- Taxable assessed value of real property for tax year 2019 is estimated to be \$81,907,360, a 3% growth over tax year 2018.
- Taxable assessed value of personal property is estimated for tax year 2019 to be \$7,449,173, a 7% decrease from tax year 2018, due to adjustments made to more conservatively assess tax on delinquent filers.
- Vehicle taxable assessed value is estimated for tax year 2019 of \$5,487,470, a 12.9% decrease over tax year 2018. Total Taxable Assessed Value is estimated at \$94,844,003.
- The growth in taxable assessed value is 3.0% higher than the prior tax year and CPI is estimated at 2.2% for a total allowed recommended increase to the millage of 2.2% or 1.18 mils
- The FY 2020 Adopted Budget includes:
 - An adopted increase to the operating mil by the estimated inflationary factor of 2.2%, which represents 1.18 mils.
 - The increase in mil value is only applied to the operating mil, raising the operating mil from 53.62 to 54.80 mils.
 - The adopted debt mil will remain at 18.97 mils.
 - An adopted reserve mil of 2 mils to establish a fund balance reserve for future infrastructure needs.
 - A total adopted mil value of 75.77 mils.
 - Estimated increase to Property Taxes totals \$111,881.

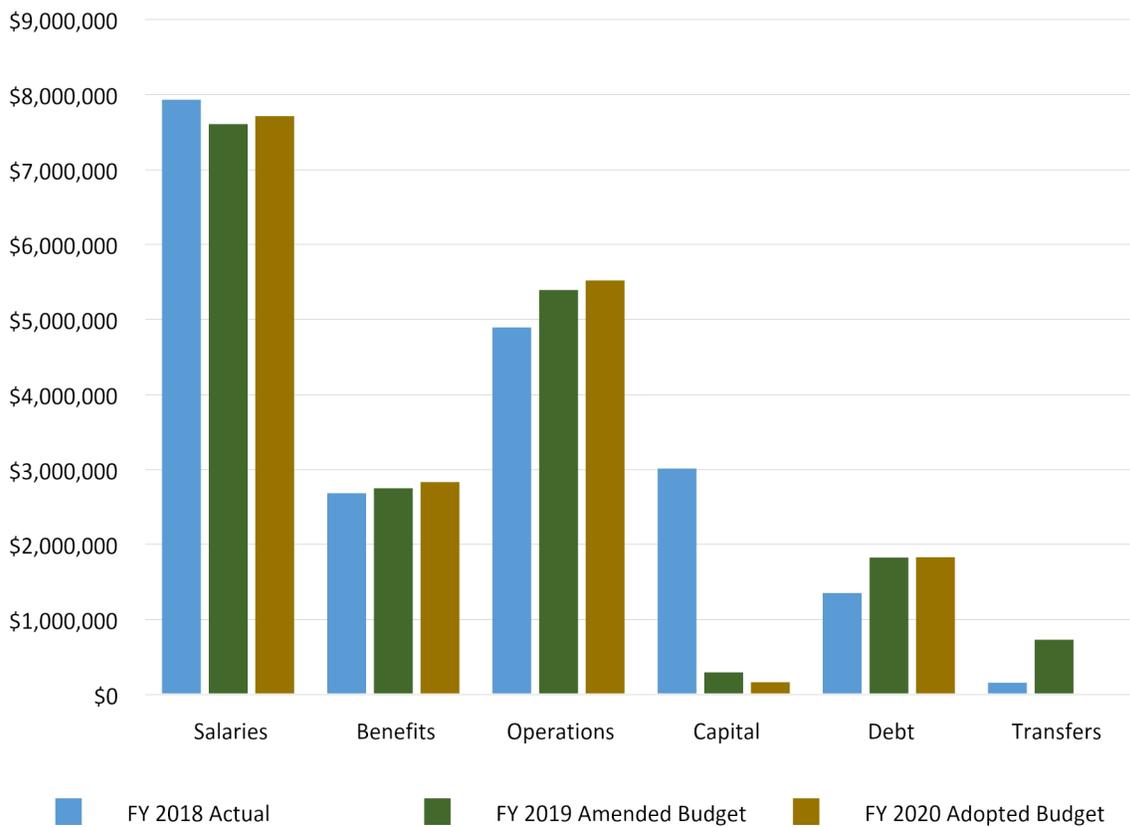
OTHER SIGNIFICANT GENERAL FUND REVENUES

- Licenses and permits are budgeted for a modest increase of \$32,000 more than FY 2019.
- Charges for services is budgeted for \$56,108 more than FY 2019 primarily as a result of the capital lease payment on Commerce Park.
- Intergovernmental revenues decreased net \$188,775 primarily due to increases to the fire services charged to the Town of Port Royal and the decrease in the amount reimbursed under the SAFER grant.
- All other General Fund revenues are anticipated to remain flat with the exception of miscellaneous revenue which is unexpected throughout the year and no new debt issued that is supported by General Fund revenues.



GENERAL FUND EXPENDITURES

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	\$ Change	% Change
Salaries	\$ 7,927,187	\$ 7,602,976	\$ 7,708,821	105,845	1.39 %
Benefits	2,685,124	2,750,950	2,831,434	80,484	2.93 %
Operations	4,895,335	5,392,988	5,519,363	126,375	2.34 %
Capital	3,013,047	295,745	165,000	(130,745)	(44.21)%
Debt	1,356,050	1,826,651	1,830,772	4,121	0.23 %
Transfers	159,193	732,000	—	(732,000)	(100.00)%
Total Expenditures	\$ 20,035,936	\$ 18,601,310	\$ 18,055,390	(545,920)	(2.93)%



GENERAL FUND EXPENDITURES BY DEPARTMENT

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Change	% Change
<u>Non Departmental</u>					
Salaries	\$ —	\$ 15,000	\$ 34,000	\$ 19,000	126.7 %
Benefits	—	—	—	—	— %
Operations	78,556	123,279	129,572	6,293	5.1 %
Capital	327,397	—	—	—	— %
Transfers Out	159,193	732,000	—	(732,000)	(100)%
Total Non Departmental	\$ 565,147	\$ 870,279	\$ 163,572	\$(706,707)	(81.2)%
<u>City Council</u>					
Salaries	\$ 30,778	\$ 31,151	\$ 29,751	\$ (1,400)	(4.5)%
Benefits	9,542	9,343	9,180	(163)	(1.7)%
Operations	137,970	118,507	120,356	1,849	1.6 %
Total City Council	\$ 178,290	\$ 159,001	\$ 159,287	\$ 286	0.2 %
<u>City Manager</u>					
Salaries	\$ 291,159	\$ 274,501	\$ 312,352	\$ 37,851	13.8 %
Benefits	101,683	100,061	132,409	32,348	32.3 %
Operations	96,901	124,411	87,015	(37,396)	(30.1)%
Total City Manager	\$ 489,743	\$ 498,973	\$ 531,776	\$ 32,804	6.6 %
<u>Finance & Information Technology</u>					
Salaries	\$ 411,090	\$ 454,886	\$ 494,840	\$ 39,954	8.8 %
Benefits	114,057	144,256	153,971	9,715	6.7 %
Operations	642,912	663,670	652,515	(11,155)	(1.7)%
Total Finance & Information Technology	\$ 1,168,059	\$ 1,262,812	\$ 1,301,326	\$ 38,513	3.0 %

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Change	% Change
<u>Human Resources</u>					
Salaries	\$ 71,283	\$ 71,416	\$ 86,433	\$ 15,017	21.0 %
Benefits	24,203	25,256	24,714	(542)	(2.1)%
Operations	80,519	80,768	91,921	11,153	13.8 %
Total Human Resources	\$ 176,005	\$ 177,440	\$ 203,068	\$ 25,628	14.4 %
<u>Municipal Court</u>					
Salaries	\$ 306,697	\$ 317,657	\$ 294,285	\$ (23,372)	(7.4)%
Benefits	97,417	99,442	96,266	(3,177)	(3.2)%
Operations	71,824	109,707	98,844	(10,863)	(9.9)%
Total Municipal Court	\$ 475,938	\$ 526,806	\$ 489,395	\$ (37,411)	(7.1)%
<u>Community and Economic Development</u>					
Salaries	\$ 353,929	\$ 494,183	\$ 489,395	\$ (4,787)	(1.0)%
Benefits	131,213	193,915	175,720	(18,195)	(9.4)%
Operations	335,231	288,234	294,357	6,123	2.1 %
Total Community and Economic Development	\$ 820,372	\$ 976,331	\$ 959,472	\$ (16,859)	(1.7)%
<u>Police</u>					
Salaries	\$ 3,209,292	\$ 2,500,718	\$ 2,651,208	\$ 150,489	6.0 %
Benefits	1,077,018	898,928	962,707	63,779	7.1 %
Operations	688,805	977,164	998,158	20,994	2.1 %
Capital Outlay	438,646	56,575	76,000	19,425	34.3 %
Total Police	\$ 5,413,761	\$ 4,433,386	\$ 4,688,073	\$ 254,687	5.7 %

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget	Change	% Change
<u>Fire</u>					
Salaries	\$ 2,612,067	\$ 2,910,786	\$ 2,852,115	\$ (58,670)	(2.0)%
Benefits	925,580	1,096,595	1,114,251	17,656	1.6 %
Operations	988,196	974,248	1,126,830	152,582	15.7 %
Capital Outlay	281,199	82,000	89,000	7,000	8.5 %
Debt	83,616	87,397	83,616	(3,781)	(4.3)%
Total Fire	\$ 4,890,659	\$ 5,151,026	\$ 5,265,812	\$ 114,787	2.2 %
<u>Public Works</u>					
Salaries	\$ 640,894	\$ 532,678	\$ 464,442	\$ (68,237)	(12.8)%
Benefits	205,665	183,154	162,217	(20,937)	(11.4)%
Operations	1,689,550	1,933,001	1,836,178	(96,824)	(5.0)%
Capital Outlay	1,965,805	157,170	—	(157,170)	(100)%
Transfer Out	—	—	—	—	— %
Total Public Works	\$ 4,501,914	\$ 2,806,004	\$ 2,462,837	\$ (343,167)	(12.2)%
<u>General Obligation Debt</u>					
Principal	\$ 960,000	\$ 1,276,801	\$ 1,416,022	\$ 139,221	10.9 %
Interest	396,050	462,453	414,750	(47,703)	(10.3)%
Total General Obligation Debt	\$ 1,356,050	\$ 1,739,254	\$ 1,830,772	\$ 91,518	5.3 %
Total General Fund Expenditures	\$ 20,035,937	\$ 18,601,311	\$ 18,055,390	\$ (545,921)	(2.9)%

GENERAL FUND EXPENDITURES SUMMARY

- Each department presented their detail Goals and Initiatives, as well as their current year accomplishments and barriers to achieving them to City Council. These goals and initiatives are linked to the adopted Strategic Plan of City Council in order to achieve the goals established. Please consult those presentations for the detail supporting the adopted budget of each department.



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

Conducted Beaufort 2030 labs.

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

Approved funding to address major stormwater projects.

Established the Strategic Plan for next 2 years.

Approved several key annexations.

Worked with federal government to expand National Parks monument to impact the County.

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.

Lead organizational cultural shift to performance management system.

Lead customer service improvement initiatives.

Achieved budget goals, objectives and completed several major projects.

Recent Human Resources Performance Accomplishments

Unveiled new City website.

Premiums on Health Benefits remain stable for the sixth consecutive year.

Completed compensation study.

Assisted in attaining a Communications Intern.

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.

Feedback from new website.

City compensation continues to be competitive.

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

Complete marketing program for the City.

System enhancements in several departments

Strategic Planning for the long-term

Complete analysis of infrastructure, sidewalks and road needs.

Current City Council Performance Initiatives

Annexations

Job Creation at reasonable wage levels

Economic Development

Improved growth of education

Marina & Park Improvements

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 2019 – 2021

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

Professional development

Key Goals and New Initiatives for City Council in Fiscal Year 2020

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

Identify new revenue streams: i.e. Local Options Sales Tax **(Strategic Goal #2)**

Balance tourism, Downtown and hometown needs **(Strategic Goal #4)**

Work on program for Infill growth in the greater downtown area **(Strategic Goal #5)**

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

Key Goals and New Initiatives for City Manager in Fiscal Year 2020

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 #2 & 3)**

Oversight of goals in Strategic Plan for 2019 – 2021 **(Strategic Goal #1, 2, 3, 4, 5, 6 & 7)**

Key Goals and New Initiatives for Human Resources in Fiscal Year 2020

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.

Budget Requests Needed to Help Achieve Fiscal Year 2020 Goals and Initiatives

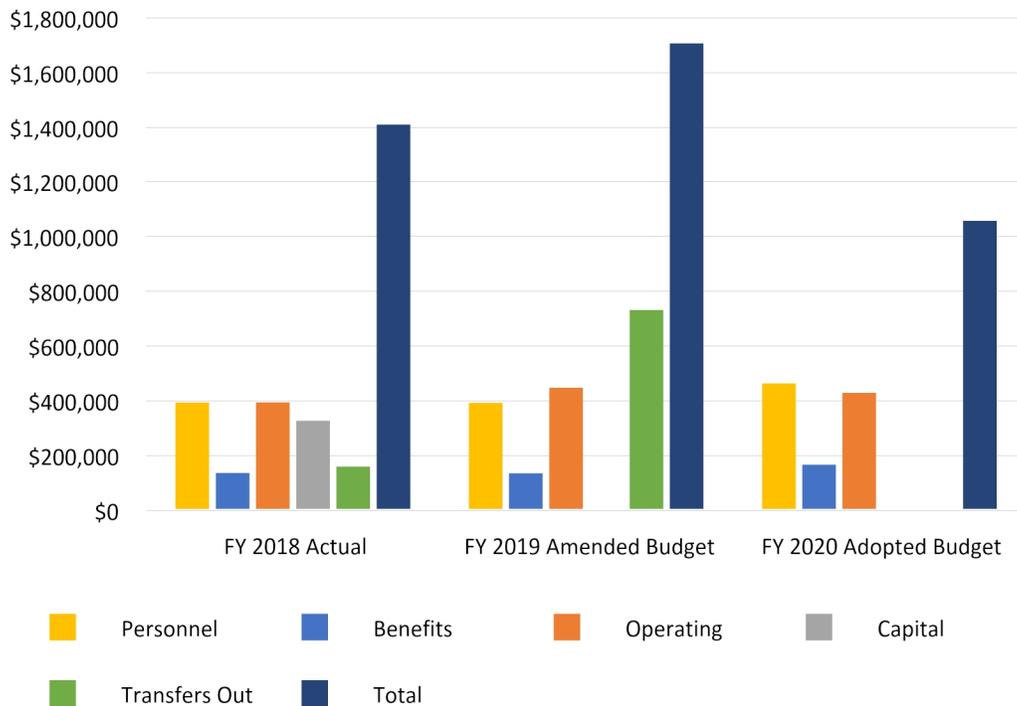
Resources in the Human Resource budget to pay for professional development and leadership programs for personnel. (Human Resources budget)

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

Department Expenditures

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Department Summary			
Non-Departmental	\$ 565,147	\$ 870,279	\$ 163,572
City Council	178,290	159,001	159,287
City Manager	489,743	498,973	531,776
Human Resources	176,005	177,440	203,068
Total	<u>\$ 1,409,184</u>	<u>\$ 1,705,692</u>	<u>\$ 1,057,703</u>

Category	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Personnel	\$ 393,219	\$ 392,068	\$ 462,536
Benefits	135,428	134,660	166,304
Operating	393,947	446,965	428,864
Capital	327,397	—	—
Debt	—	—	—
Transfers Out	159,193	732,000	—
Total	<u>\$ 1,409,184</u>	<u>\$ 1,705,692</u>	<u>\$ 1,057,703</u>



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

Non-departmental includes probable costs to employees retiring during the fiscal year and no costs associated with capital or transfers to the Capital Project fund.

No significant increase to the City Council budget.

The City Manager budget increase is associated with the inclusion of a full time communications coordinator salary & benefits.

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 to 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 2018. This is the 11th consecutive year the City has received this prestigious award.

Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for fiscal year 2019 Budget Report. This is the 2nd year the City has applied and received this award.

Continued increase in usage of the Business License online portal.

Completed the permits and codes re-implementation and online payment portal for permit payments.

Completed transition to the new credit card processor; facilitating all payments via the online portal or through the City website.

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

Provided the URL access to Employee Self Service Module that is available to employees via the Mobile application.

Adoption of the Investment Policy.

Completed the implementation of Phase I of the Work Order module for all Public Works work orders.

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

Began building the budget book in the new format that is linked to our transparency portal, with completion targeted for early FY. Begun to develop story boards that better communicate City initiatives to the public. The first phase of this project is targeted for completion by June 2019.

Recent Information Technology Performance Accomplishments

Information Technology completed the network upgrades to ensure CJIS compliance by June 30, 2019.

Information Technology completed the installation of technology infrastructure in Fire Station #4.

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.

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Number of online Business Customers	561	894	1,300
Number of Users on Transparency Model	82	147	220
Number of online payments processed	518	644	900
Net Net Businesses- all business license types	393	469	564
Net New Businesses- annual business license types only	205	237	273
Gross Revenues reported by businesses	\$1.13B	\$1.16B	\$1.19B

Key Goals and New Initiatives for Fiscal Year 2020 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.

Research and develop methodology for vendor payments via ACH and determine cost effectiveness of implementation in 2021.

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 2020 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.

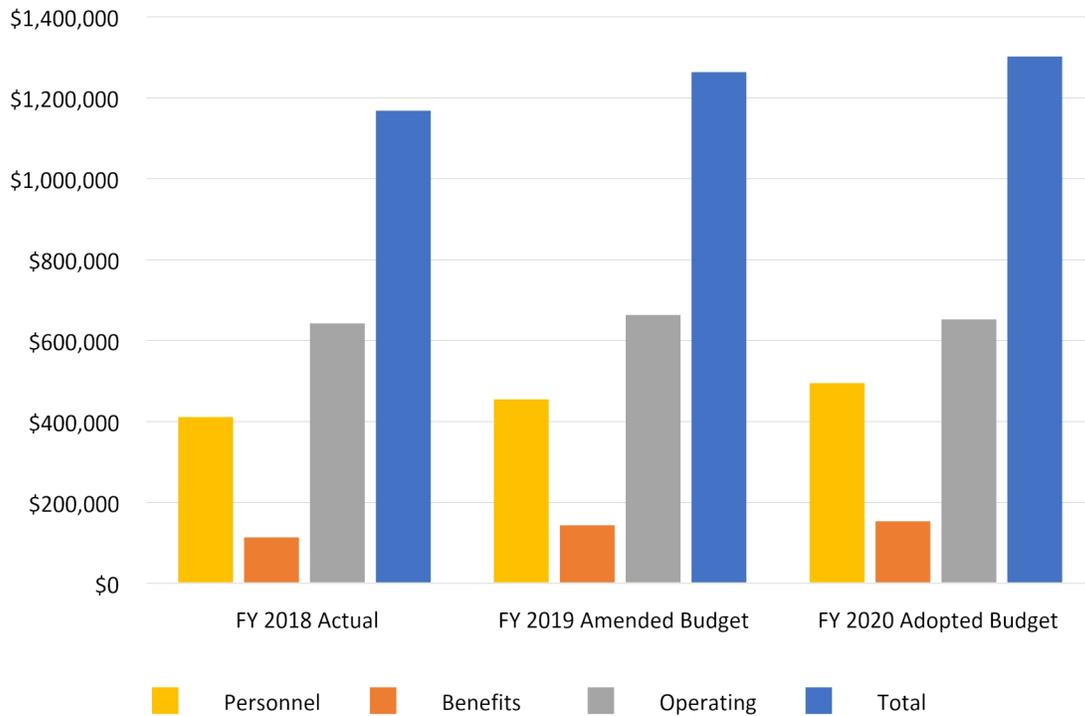
Continue to enhance reporting that supports internal users and assist them at monitoring their efficiencies and effectiveness.

Budget Requests Needed to Help Achieve Fiscal Year 2020 Goals and Initiatives

Budget request for FY 2020 is slightly above FY 2019 and related to the addition of one full-time position for the business license division.

Department Expenditures

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Department Summary			
Finance	\$ 709,657	\$ 789,578	\$ 842,262
Information Technology	458,402	473,234	459,064
Total	\$ 1,168,059	\$ 1,262,812	\$ 1,301,326
Category			
Personnel	\$ 411,090	\$ 454,886	\$ 494,840
Benefits	114,057	144,256	153,971
Operating	642,912	663,670	652,515
Total	\$ 1,168,059	\$ 1,262,812	\$ 1,301,326



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

Finance overall budget increased 6.7%

Personnel costs increased 8.8% related to an additional position dedicated to Business License and the net merit increases received in fiscal year 2019.

Benefits costs increased 6.7% due to increased position and the 1% increase to retirement.

Information Technology costs decreased 3.0%.

The overall department budget increased 3.0% from FY 2019.



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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 Indigent defense representation has been appointed to 171 cases.

Held five jury terms and disposed 73 cases.

Performance Measurements to Track Recent Accomplishments Collected 2% of the \$339,459 of allowable outstanding fines entered into the Municipal Association of South Carolina's setoff debt system.

Estimated number of cases processed and disposed in Municipal Court this year will be 5,273.

Estimated number of cases processed and transferred in Bond Court will be 2,852.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints Establishing a performance measure for the Happy or Not kiosk data.

Current Performance Initiatives

Continue perfecting new court procedures set forth by Chief Justice to all Summary Courts in South Carolina.

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

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Municipal Court Cases	6,671	5,272	5,972
Bond Court Cases	3,509	2,860	3,185

Key Goals and New Initiatives for Fiscal Year 2020

Continue exploring additional funding sources through partnerships and grants.

Transition from private indigent defense attorney to Public Defender's Office.

Customer Service Initiatives

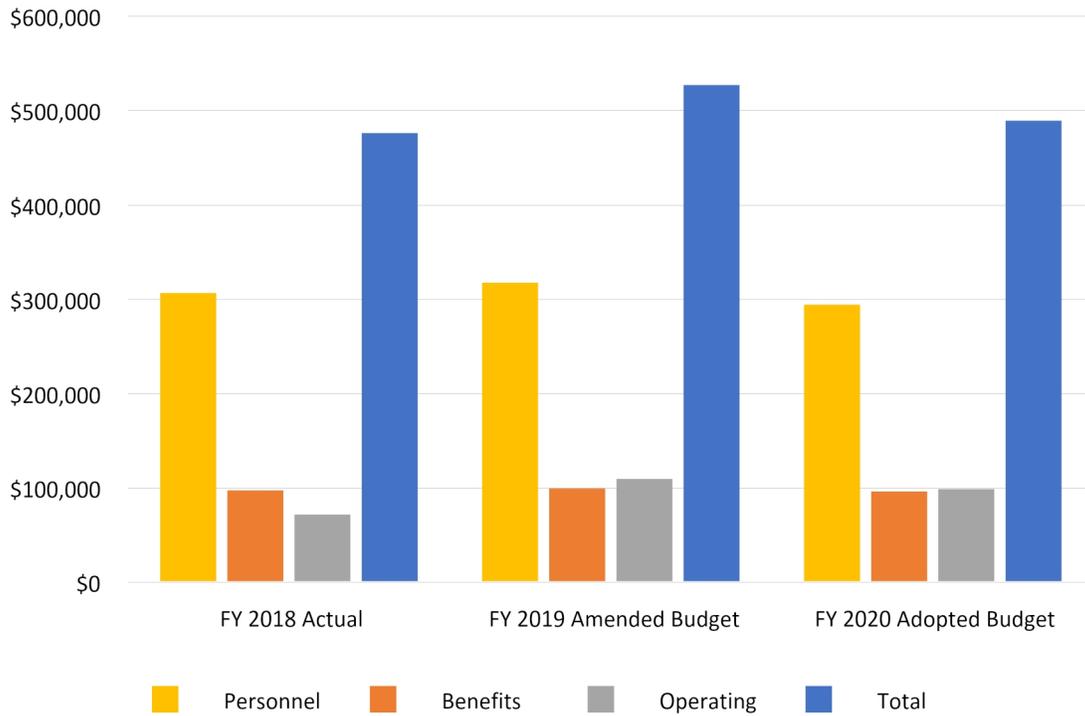
Continue the utilization of the "Happy or Not" kiosk.

Budget Requests Needed to Help Achieve Fiscal Year 2020 Goals and Initiatives

Upgrading current audio recording software.

Department Expenditures

Category	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Personnel	\$ 306,697	\$ 317,657	\$ 294,285
Benefits	97,417	99,442	96,266
Operating	71,824	109,707	98,844
Total	\$ 475,938	\$ 526,806	\$ 489,394



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

The Town of Hilton Head exited our Bond Services Agreement.



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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.
- 79 Technical Reviews, 25 Design Reviews, 30 Historic Design Reviews, 15 Zoning Board of Appeals, 3 Annexation Petitions, and 10 Subdivision Applications.
- 68 Planning Inspections
- 697 Planning Permits
- New Construction Activity- 45 Single-family Dwellings, 24 Multi-Family Units, 5 Commercial Buildings
- 4,386 Building Codes Inspections
- 1,828 Building Codes Permits
- 126 Impact Fees

Performance Measurements to Track Recent Accomplishments

Technical Reviews increased by 64%, Design Reviews increased by 13%, Historic Design Reviews decreased by 33%, Zoning Board of Appeals decreased by 44%, Annexation Petitions decreased by 25%, and Subdivision Applications increased by 43%.

Planning Inspections increased by 3%.

Planning Permits and Fees increased by 22%

New Building Codes Construction Activity: Single-family dwellings increased by 5%, 24 Multi-Family Units, and Commercial buildings decreased by 29%.

Building Codes inspections decreased by 29%

Building Codes Permits and Fees decreased by 29% in number, but increased in value by 1%.

Impact Fees decreased by 11% in number, but increased by 28% in value.

Recent Goals Unable to Achieve Due to Budget or Staffing

Quarterly review and update of zoning ordinance

Substantial progress on comprehensive plan update.

Current Performance Initiatives

Promote permit technician to planning technician.

Hire a planning manager.

Hire a permit technician.

Hire additional building inspector.

Cross train department staff on permitting and planning functions.

Streamline application/permitting process.

Improve department workflow and document management.

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Personnel vacancies	—	2	—

Key Goals and New Initiatives for Fiscal Year 2020

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

Have staff reports posted and sent one week in advance of meetings.

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 2020 Goals and Initiatives

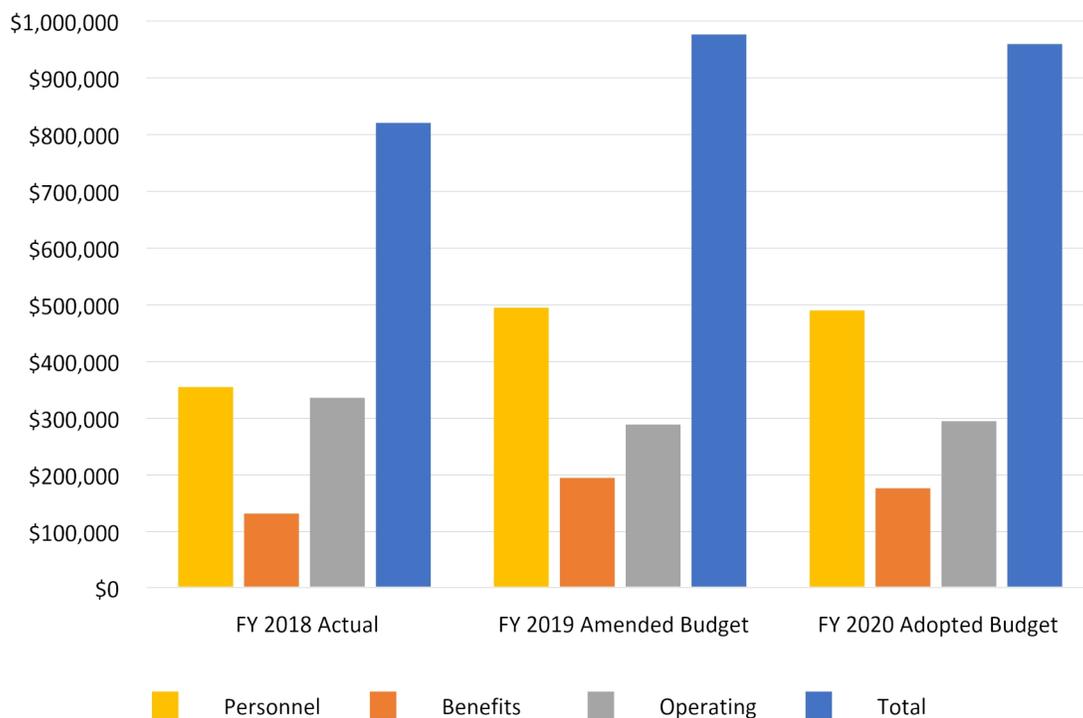
Contract for additional building inspector to handle additional workload expected with the construction of two new apartment buildings (\$62,500)

Contract with consultants for specific tasks/sections of the comprehensive plan update (\$60,000)

Training/Travel- Provide professional certification costs and continuing education in order to attract and retain high quality professional staff.

Department Expenditures

Category	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Personnel	\$ 353,929	\$ 494,183	\$ 489,395
Benefits	131,213	193,915	175,720
Operating	335,231	288,234	294,357
Total	\$ 820,372	\$ 976,331	\$ 959,472



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

The FY 2020 adopted budget is 1.7% less than the FY19 revised budget.





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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 AED's and Narcan.

Reduction in Part 1 Crimes from 947 in 2016 to 657 in 2018.

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 LPR's (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 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.

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Calls for Service	90,131	91,000	93,000
Part 1 Crimes	659	750	800

Key Goals and New Initiatives for Fiscal Year 2020

Restaff Community Response Team (activity trailer grant applied for)

Obtain License Plate Readers

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 2020 Goals and Initiatives

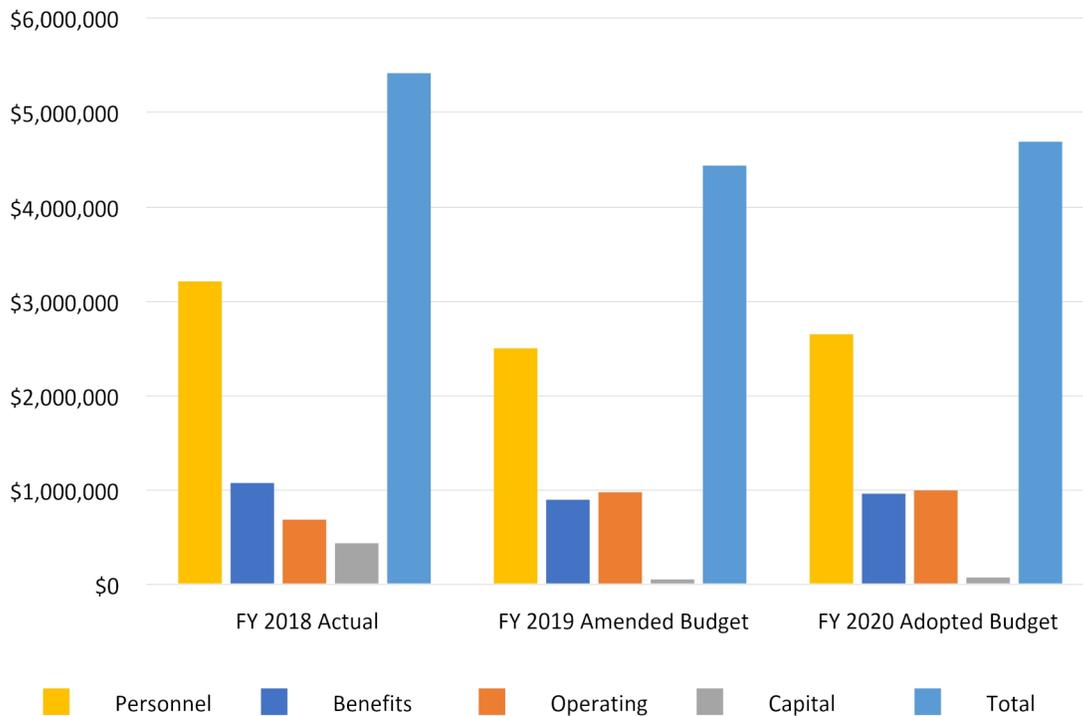
License Plate Readers

Mobile computer package and radios for patrol vehicles.

Department Expenditures

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Department Summary			
Police	\$ 5,044,411	\$ 4,041,005	\$ 4,242,628
School Resource Officers	264,318	281,501	333,309
School Crossing Guards	26,722	27,376	27,712
Victim Advocate	78,310	83,503	84,424
Total	<u>\$ 5,413,761</u>	<u>\$ 4,433,386</u>	<u>\$ 4,688,073</u>

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Category			
Personnel	\$ 3,209,292	\$ 2,500,718	\$ 2,651,208
Benefits	1,077,018	898,928	962,707
Operating	688,805	977,164	998,158
Capital	438,646	56,575	76,000
Total	<u>\$ 5,413,761</u>	<u>\$ 4,433,386</u>	<u>\$ 4,688,073</u>



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

License Plate Readers

Mobile computer package and radios for patrol vehicles

Insurance increases: Employee Bond up 25%, Inland Marine up 15%, Tort Liability up 25%, Vehicle Comp up 25% and Vehicle Liability up 16%.





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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

Permanent Station 4 is open and operating.

3,540 Calls for service in calendar year 2018

Education and Prevention

Year 3 of Red Cross Smoke Det. Partnership, have touched every house with at least a knock and installed 675 more smoke alarms.

283 Pub Ed Events up from 187 in 2017; 8,755 Children and Adults Contacted

Performance Measurements to Track Recent Accomplishments

Zero civilian fire injuries

6.75 individual contacts per man hour of public education

"Every public education officer is a firefighter"

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Fleet Replacement (Leasing)

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

Performance Indicator	CY 2018 Actual	CY 2019 Estimate	CY 2020 Estimate
Call Volume	3,595	3,665	3,740
Public Education Contacts	8,755	9,630	10,500
Response Time	4 minutes 49 seconds Emergency; 6 minutes 13 seconds Non-Emergency	NA	NA

Key Goals and New Initiatives for Fiscal Year 2020

Finalize Fire Service Impact Fee (Strategic Goal 2)

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 2020 Goals and Initiatives

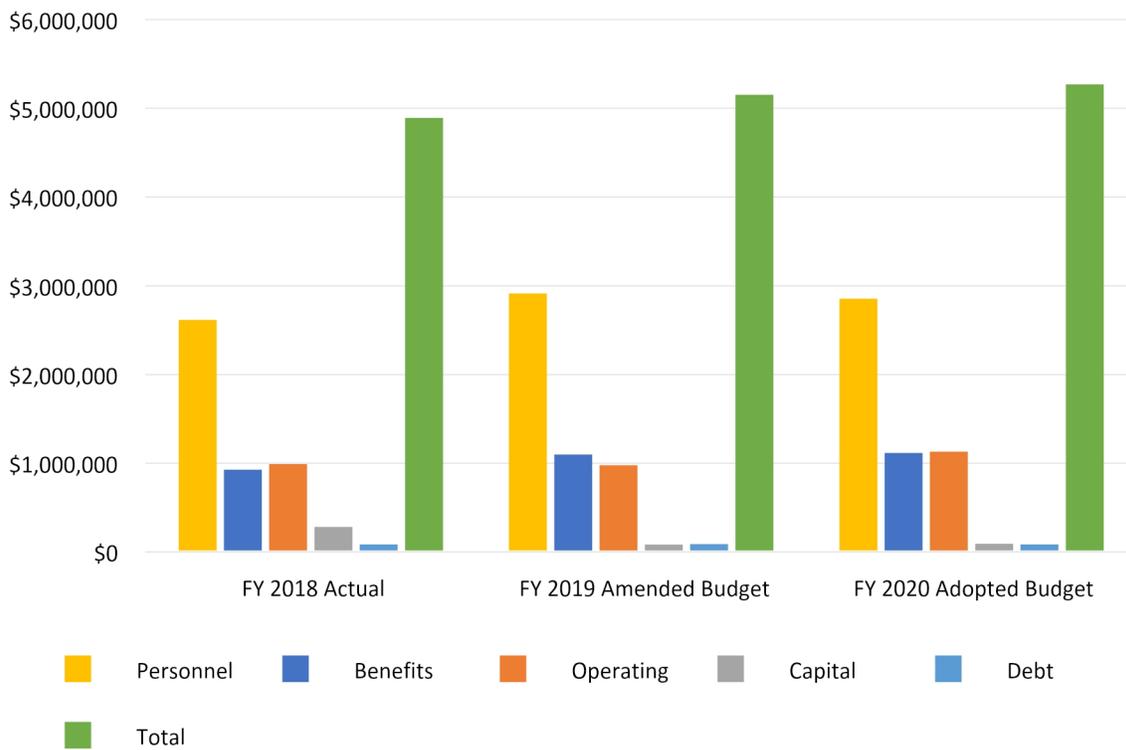
Lady's Island Fire District payment increase of \$100,498

\$42,002 increase for the full fiscal year lease, tax, insurance on Station 4. FY19 budgeted for 3 quarters.

Capital Request is up \$7,000 this year to \$89,000 for the following: \$38,000 Breathing Air Comp, \$27,000 SCBA Cylinder Replacement Year 1, \$15,000 CHQ Bunkroom Mattress Replacement, and \$9,000 EMT A Equipment

Department Expenditures

Category	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Personnel	\$ 2,612,067	\$ 2,910,786	\$ 2,852,115
Benefits	925,580	1,096,595	1,114,251
Operating	988,196	974,248	1,126,830
Capital	281,199	82,000	89,000
Debt	83,616	87,397	83,616
Total	\$ 4,890,659	\$ 5,151,026	\$ 5,265,812



Category and Reason for any Major Increases in Fiscal Year 2020

Operating: \$100,498 increase for Lady's Island St. Helena Agreement for Fire Protection in annexed areas of Lady's Island. This agreement represents 80% of current LISH FD millage applied to current taxable value. Chief's are charged with finding a "forever" solution for fire service in this area.





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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

New work order system launch and implementation.

New citizen request notification on new City website.

Reconciliation of contracted engineering project invoicing.

New charging station for dump trailers.

New knuckle boom 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 to install 4 mast arms (Craven and Carteret; Craven and Charles; Boundary and Bladen; Robert Smalls Parkway and Parris Island Gateway)

Leveraging in house talent to repair 16 potholes, 30 sinkholes, and 1,000 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.

Installation of new trash enclosure behind Beaufort County Library.

Performance Measurements to Track Recent Accomplishments

Training Certifications

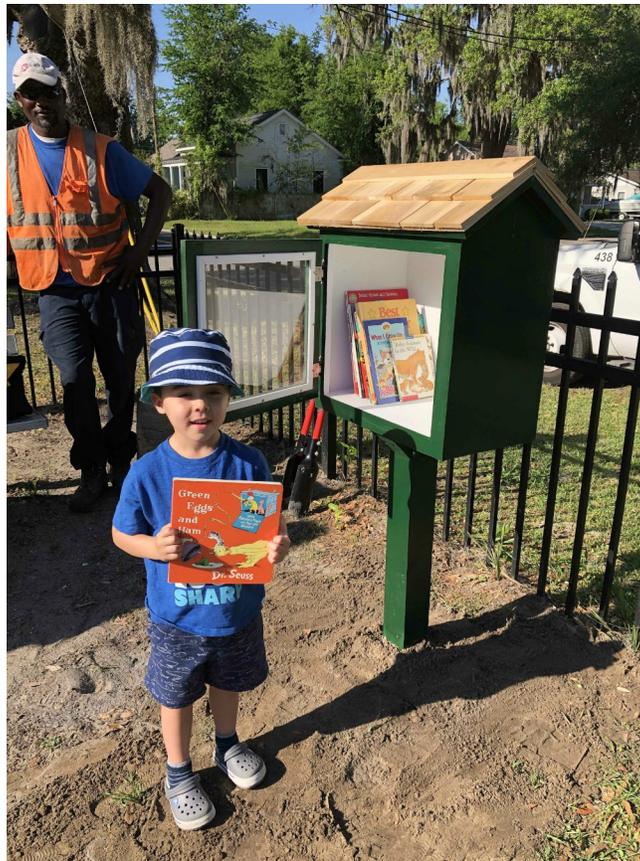
Workman's Compensation personnel claims in 2019 - 1

Reduce drainage complaints FYTD by being proactive

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Several significant and unexpected weather events have reset PWD priorities.

Renovation of the PWD complex has been deferred.



Current Performance Initiatives

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

Complete Greenlawn Avenue Streetscape and evaluate Allison Road.

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Plan Review	52	56	50
Site Inspections Commercial	11	13	14
Stormwater Utility Board	12	12	12
Solid Waste Board	6	6	6
American Public Works Association	2	2	2
County Transportation Committee	6	6	6
Encroachment Permit Review	6	8	8
Neighborhood Meeting	11	12	12
City of Beaufort Synchronization Meeting	4	6	6

Key Goals and New Initiatives for Fiscal Year 2020

Review PWD associated renewal landscaping maintenance contracts.

Review PWD associated renewal of street sweeping contracts.

Renovate the PWD building.

Continued reorganization of the PW complex.

Enhanced training initiatives for PW 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 2020 Goals and Initiatives

Road maintenance in Battery Shores subdivision.

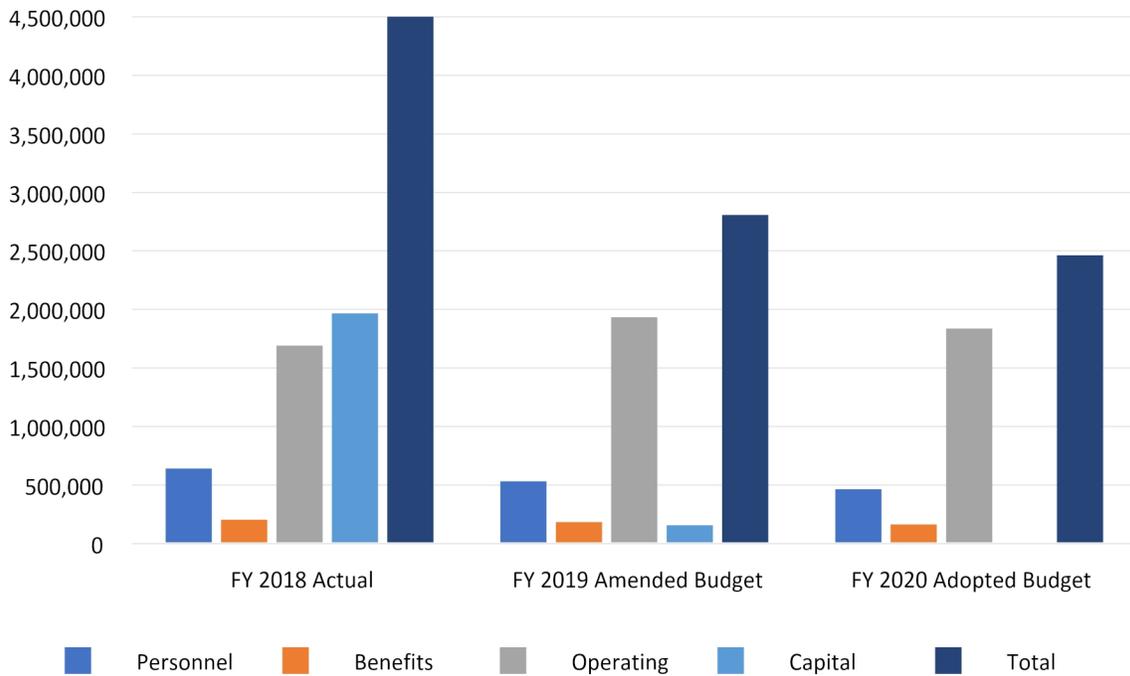
Purchase of new excavator and trench shields.

Department Expenditures

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Department Summary			
Public Works Administration	\$ 562,839	\$ 417,354	\$ 337,637
Streets & Traffic	891,246	1,067,097	877,840
Facilities Maintenance	2,324,755	585,486	511,645
Solid Waste	723,074	736,067	735,715
Total	<u>\$ 4,501,914</u>	<u>\$ 2,806,004</u>	<u>\$ 2,462,837</u>

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Category			
Personnel	\$ 640,894	\$ 532,678	\$ 464,442
Benefits	204,411	183,154	162,217
Operating	1,690,804	1,737,246	1,836,178
Capital	1,965,805	140,370	—
Total	<u>\$ 4,501,914</u>	<u>\$ 2,593,449</u>	<u>\$ 2,462,837</u>





Category and Reason for any Major Increases in Fiscal Year 2020 Budget

Requesting to purchase new heavy equipment to facilitate new construction, maintenance of drainage projects/infrastructure and emergency management/response.

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

Bid solicitation for Marina operators is complete. Safe Harbor was recently selected as the new Downtown Marina Operator as of August 2019.

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.

Arsenal roof replacement bid solicitation completed. Construction has begun and will be completed in June.

Solicitation of bids for Arsenal window restoration and new restroom construction in progress.

Completed comprehensive assessment of the walls at the Arsenal.

Removal and installation of new fencing on the west side of the marina parking lot completed.

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.

Oversaw Court activities and worked closely with City Attorney on legal matters regarding ACLU.

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.

Library compactor installation completed.

Recent Performance Accomplishments (Continued)

Conducted significant sinkhole work at Waterfront Park.

Completed and supported the installation of Washington Street Park bathrooms.

Installed new playground features at Pigeon Point Park and Tic Toc 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.

Removed over 30 trees and stumps and renovated Barn #1 at Southside Park

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.

Complete the window restoration and restroom construction at the Arsenal.

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.

Performance Indicator	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate
Events in the Waterfront Park	44	33	35
Community Events	—	6	6
Cultural District Events	1	7	5
Merchants Association Events	6	11	11
Collaborative Events	—	6	10



Key Goals and New Initiatives for Fiscal Year 2020

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 2020 Goals

One additional FTE to replace vacancy within the Parks Division.

Benches for west end of Waterfront Park (\$12,000)

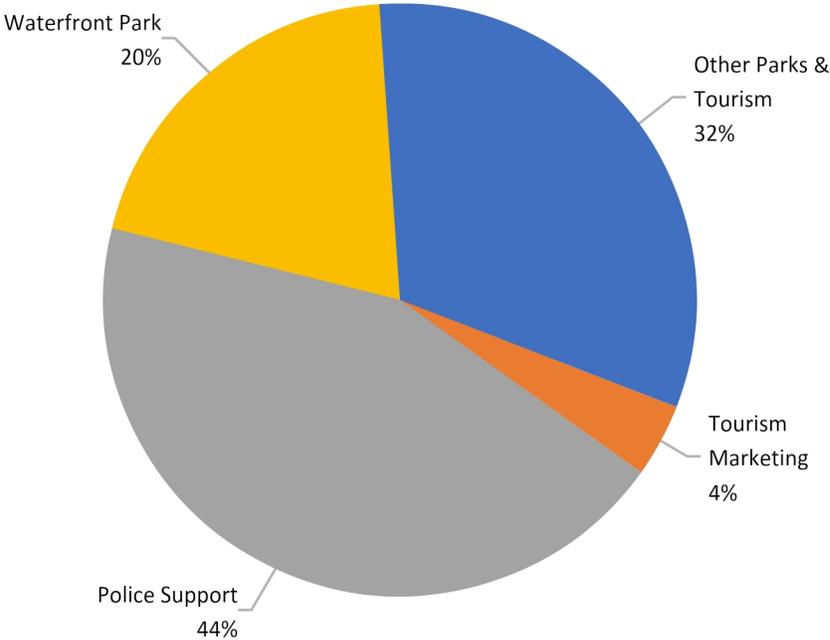
Support of community events (\$6,000)

Retail coaching consulting and training (\$28,000)

Fund Revenues and Expenditures

	FY 2019 Amended Budget	FY 2020 Adopted Budget
Revenues		
Other Taxes	\$ 2,916,159	\$ 2,920,976
Charges for Services	588,826	633,850
Total Parks and Tourism Revenues	<u>\$ 3,504,985</u>	<u>\$ 3,554,826</u>
Expenditures		
Other Parks and Tourism		
Personnel	\$ 369,668	\$ 335,244
Benefits	148,361	123,120
Operating	393,061	345,907
Capital	25,000	15,000
Total Other Parks and Tourism	<u>936,090</u>	<u>819,271</u>
Police Support		
Personnel	930,526	931,265
Benefits	337,262	361,047
Operating	—	37,268
Total Police Support	<u>1,267,788</u>	<u>1,329,580</u>
Tourism Marketing		
Operating	123,585	123,585
Transfers	—	105,070
Total Tourism Marketing	<u>123,585</u>	<u>228,655</u>
Marina		
Operating	30,974	20,374
Waterfront Park		
Operating	476,135	479,421
Debt	309,109	309,098
Total Waterfront Park	<u>785,244</u>	<u>788,519</u>
Other Downtown Operations		
Personnel	129,528	167,969
Benefits	44,782	52,236
Operating	109,894	113,822
Capital	28,000	—
Total Other Downtown Operations	<u>312,204</u>	<u>334,027</u>
Parking		
Operating	24,100	9,400
Debt	25,000	25,000
Total Parking	<u>49,100</u>	<u>34,400</u>
Total Parking and Tourism Fund Expenditures	<u>\$ 3,504,985</u>	<u>\$ 3,554,826</u>

Expenditures Supported by Local Hospitality and Local Accommodations Taxes



Category and Reason for any Major Increases in Fiscal Year 2020 Budget

Personnel expenditures in Downtown Operations increased by \$38,441 due to funding the Administrative Assistant's part-time for a full year.

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 Azalea 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 roadside drainage maintenance.

Battery Shores pond maintenance and tree removal.

Aster Street drainage project to begin in June.

Performance Measurements to Track Recent Accomplishments

Completed drainage projects- Azalea Drive and Coordinated completion of Sommerall Outfall (Hermitage Road)

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

Twin Lakes and Battery Shores drainage projects starting June.

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.

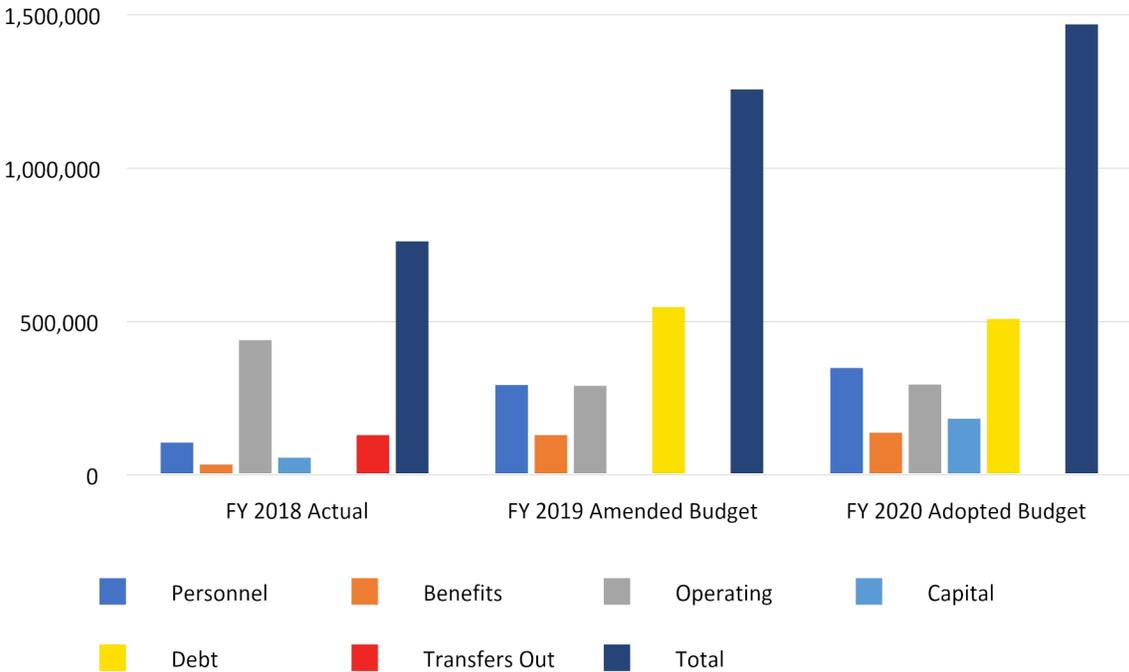
Hay Street submitted permitting/approval for drainage improvements.

Complete Twin Lakes and Battery Shores drainage projects.

Complete drainage outfall maintenance at Cottage Farms.

Fund Revenues and Expenditures

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Revenues			
Stormwater Utility Fees	\$ 850,119	\$ 1,065,306	\$ 1,100,000
Expenditures			
Personnel	104,898	291,953	347,349
Benefits	33,068	128,490	136,791
Operating	438,668	289,557	294,147
Capital	55,000	—	182,000
Debt	—	546,420	507,909
Transfers Out	129,198	—	—
Total Expenditures	\$ 760,832	\$ 1,256,420	\$ 1,468,196



Fiscal Year 2020 Budget Highlights

Reasons for the increase in salaries and benefits in the newly created fund, include the direct salaries and benefits of employees dedicated to Stormwater maintenance, and the salaries and benefits of the Public Works department Administration that have been allocated to the Fund based on level of effort in support of services.

Capital is for an excavator.

Excess expenditures over revenues are to be funded by bond proceeds and 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 2018 Actual	FY 2019 Amended Budget	FY 2020 Adopted Budget
Revenues			
State Accommodations Tax	\$ 551,453	\$ 549,311	\$ 555,000
Total Revenues	<u>\$ 551,453</u>	<u>\$ 549,311</u>	<u>\$ 555,000</u>
Expenditures			
Personnel	\$ 76,552	\$ 35,704	\$ 16,618
Benefits	21,132	16,376	7,952
Operating	431,182	446,016	328,930
Capital	—	—	150,000
Transfers Out	51,323	51,216	51,500
Total Expenditures	<u>\$ 580,189</u>	<u>\$ 549,312</u>	<u>\$ 555,000</u>

Fiscal Year 2020 Budget Highlights

State Accommodations budget includes \$150,000 of capital designated for the repairs to the Arsenal building windows and renovation of the bathroom.

The balance of the project costs are funded by grant revenues.



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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 other smaller areas that are more highly affected by flooding will begin to be addressed.

Funding from prior years stormwater monies were included in prior year Public Works Stormwater recommended expenditure budgets and moved into the Capital Project Fund.

Adopted FY20 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. An \$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.

An Undiscovered Grant of South Carolina was awarded for \$100,000 for the repairs to the Arsenal windows and renovation of the bathroom. Matching funds are included in the State Accommodations Fund budget of \$150,000 to complete the project.

A Community Development Block Grant was awarded in FY 2017 for \$500,000 for the Greenlawn Streetscape project. The TIF II fund resources have been allocated in prior years to support the project budget.

ACTIVE CAPITAL PROJECTS FOR FY 2020 WITH FUNDING SOURCES

Description	Budget		Active Capital Project and Fully Funded
	Estimated Original Budget	Modified Budget	
<u>City Facilities</u>			
Arsenal Windows and Bathrooms	\$ 200,000	\$ 220,108	Yes
<u>Stormwater</u>			
Twin Lakes Drainage	45,452	45,452	Yes
Battery Shores Drainage	85,043	85,043	
Cottage Farm Drainage	29,550	30,000	Yes
Mossy Oaks Basin I	1,709,255	1,709,255	Yes
<u>Streets</u>			
Greenlawn Drive	1,350,000	2,759,364	Yes
<u>Marina & Parks</u>			
Waterfront Park Foundation and Playground Equipment	620,000	1,000,000	Yes
	\$ 4,039,300	\$ 5,849,222	

Description	Funding						
	Prior Year Stormwater Funding	Grant Funding	Prior Year General Fund	Bond Funds	Committed Fund Balance	TIF II	Unfunded
<u>City Facilities</u>							
Arsenal Windows and Bathrooms	\$ —	\$ 100,000	\$ 120,108	\$ —	\$ —	\$ —	\$ —
<u>Stormwater</u>							
Twin Lakes Drainage	45,452	—	—	—	—	—	—
Battery Shores Drainage	85,043	—	—	—	—	—	—
Cottage Farm Drainage	30,000	—	—	—	—	—	—
Mossy Oaks Basin I	—	750,000	—	959,255	—	—	—
<u>Streets</u>							
Greenlawn Drive	—	500,000	—	—	—	2,259,364	—
<u>Marina & Parks</u>							
Waterfront Park Foundation and Playground Equipment	—	500,000	—	—	500,000	—	—
	\$ 160,495	\$1,850,000	\$ 120,108	\$ 959,255	\$ 500,000	\$2,259,364	\$ —

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.

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

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 be 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.



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