

City of Beaufort, South Carolina



**Annual Adopted Budget and
Capital Improvement Plan
Fiscal Year 2018-2019**



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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:

The fiscal year 2019 budget reflects an understanding by the City of Beaufort community to support investment in our core municipal needs in infrastructure and the natural and built environment of stormwater and flooding issues throughout the city. Beyond these necessary investments, the current year again reflects a limited recovery in property values and increased expenses for the City. However, significant investment and growth in the economy is in process, in our historic area, and in the development of our commercial corridors of the City. The fiscal year 2019 budget positions the City to meet the needs of the coming year and begins to invest in tomorrow.

The development of the FY 2019 Budget faced four major challenges discussed at the February 2018 council retreat. Funding is necessary to meet the obligations and to provide resources to address critical needs as follows: (Investment dollars are approximate)

- **Improve stormwater infrastructure needs throughout the City. Investment required is estimated at \$5.0 million to be done by issuance of stormwater revenue bonds.**
- **Provide for real job growth and economic development for our citizens. Investment budgeted \$150,000 cost in operating and capital funds.**
- **Invest in the management of growth in our downtown core district and maintain balance for those businesses outside the core district. Investment budgeted \$500,000 offset by \$300,000 in parking fees for a net of \$200,000. This does not include cost of maintaining the Henry C. Chamber Park or the Beaufort Marina as these costs are more than \$800,000.**
- **A strong communication plan. Investment budgeted \$36,000 cost in operating funds.**

Public safety investments are kept to a minimum this year thanks to grants we received last year and good planning on the parts of both our Police and Fire Chiefs.

What many people do not realize is that it cost the City over \$1.2 million dollars per year to maintain all our parks, trails, and road side areas. These are very important to our City and must be maintained on a year- round basis. They are part of the charm of our City and have become a draw for both our city residents and tourists, but they are costly to maintain.

We fully understand the concerns of our taxpayers regarding the need for a City tax increase and what the overall impact could be when combined with the school and county taxes as well. Therefore, we know that the tax increase of 9% that would be allowed under State Law this year due to the growth in assessed values and CPI would be too much of an increase for many of our residents. We therefore have taken the necessary steps to make minimal adjustments to our mil rate so that it will be affordable to our citizens.

Our General Fund revenues show a projected increase of 6.47% in our real property assessment valuation along with the receipt of the Fire SAFER grant reimbursement of \$660K and steady business license fees. The new Parks and Tourism fund shows increases in our accommodations and hospitality taxes. Since the anticipated revenue is not enough to fund all the major needs, the primary means proposed to address these core service needs is to first and foremost increase our City operating mil by the 2.72%, (a 1.42 mil increase). In addition, the recommended budget includes an increase in our debt mil sufficient to cover our FY 2019 debt payments (a 1.57 mil increase) and 2 mills for a reserve against future infrastructure needs (2.19% of taxable assessed value). Lastly, to service the anticipated stormwater debt, we are recommending a fee increase of \$30.00, raising our Stormwater Utility fee from \$105 to \$135 that is included in the stormwater fund budget. Except for the debt service mil increase, the above recommended increases in operating and the reserve mil represent 4.91% above the rollback millage, well below the 9.19% allowed by State Law. By doing this all other challenges of the fiscal year 2019 General Fund Budget are resolved through intensive efforts by all departments to hold or reduce spending costs.

Budget trends for the FY 19 budget include:

- Property tax assessment valuation (after reassessment adjustments) is showing a 6.47% growth.
- Accommodations and hospitality tax are projected to have an overall increase of 7%.
- Business License and permit fees remain unchanged, due to continued building activity.
- Total FY 19 revenues reflect an increase of 6.57% or \$1,404,451 over FY 2018 revenues.
- Expenditures are stable by classification as a percentage of the total expenditures. We do have to absorb an increase in the State Pension Fund and dental insurance cost for all employees and a substantial increase in our property and liability insurance.

The FY 2019 Proposed Budget can be summarized by:

- Balanced budget that projects revenues, transfers, and expenditures of \$22,779,923.
- A 1.42 mil increase in the operating mil based on a 2.72% CPI and growth adjustment allowed by State Law.
- A 1.57 mil increase in the debt mil sufficient to cover the City debt payments for FY 2019.
- A 2.0 mil increase to establish a reserve to cover future infrastructure needs.
- A stormwater fee increase of \$30.00 to cover the cost of our estimated stormwater bonding to repair our stormwater needs citywide.
- Our total operating and debt mil rate will be 72.59 mills based on the new assessed values, with a total proposed mil (that includes the reserve mil) of 74.59 mills.

Beaufort is a growing city with more rapid residential growth all around us, which impacts our roads, parks, businesses, and services. This budget provides for the continuation of all municipal services at substantially the same levels as FY 2018.

The budget does make modifications to several areas, and we are focusing on our real needs of improvements to our infrastructure and our facilities. All the modifications are designed to support the service demands and needs for our growing area. Because of the County-wide reassessment of real property, the values and how the reassessment affects each property owner will vary. Some taxpayers will see a decrease in their taxes, some will see no change and others will see an increase based on whether their assessed values went up, stayed the same or went down.

We estimate that it will take us another two years to see improvement in our revenues as new commercial development starts to come on line. Because of this, we see very few new City projects that are not already in our planning stages being started over the next 24-36 months. Our goal is to complete what we are working on as efficiently as possible, make major improvement in our infrastructure, and work closely with private developers to attract new investment in our City. This we believe will create new well-paying jobs, housing that is affordable, and new business opportunities. To do this we had to cut some major budget and project request such as:

- Additional improvements to the Henry C. Chambers Park.
- No new investment in Southside or any of the other parks throughout the City.
- No Master Plan for the waterfront and marina area currently.
- No additional public safety personnel.
- No heavy-duty equipment for Public Works.
- Delay of several planning studies.
- Requests for new administrative personnel were denied in some departments.
- The hiring of a “Main Street” marketing person was delayed by 6 months.
- Major repairs to 500 Carteret Street were delayed.
- No new street improvement plans were funded for the year that are not already planned.
- Some new computer equipment and software upgrades have been delayed.

We will achieve this by providing physical improvements to our infrastructure, a high standard of customer service, a well-educated and trained staff, and showing a lot of pride in our City.

Summary:

I present for your consideration the Operational and Capital Budgets for the Fiscal Year 2019 (FY19). This budget as proposed addresses our most serious infrastructure and facility needs for the present and for the future. We continue to spend thousands of dollars maintaining and repairing state assets that are located within the city limits, with little, if any compensation. Our City is becoming a well know tourist destination which will increase our number of visitors and will add to the 65,000 population we serve every day with a tax base from a population of 13,500+. As we have stated in the past, this is not sustainable, and we must find ways to increase our revenue. Therefore, we are asking for an increase in

our operating mil, debt mil, our stormwater fees and the establishment of a modest infrastructure reserve mil. The County, the School District, and the Fire Districts around us have all had increases in their taxes over the last few years and we have not. Unfortunately, we see the increases we are proposing as the most fair and equitable way for all involved that will help us address our citywide issues in a planned affordable way. The Budget for FY19 is recommended at \$22,975,923 This is \$3,055,521 less than requested by our department heads. It is \$863,358 more than our current (FY18) amended budget.

As the budget process now moves from the staff level through the formation and recommendation phase, to the Council level for public input and culminating with Council review and adoption phase, I again this year express my sincere appreciation for the time, energy, commitment, and creativity our department heads and their staffs have put into the development of this document. We are in challenging times and we know that the hard work of the Mayor, City Council, and staff is to complete the strategic goals that we have established to satisfy to the best of our ability the needs of the residents of our City.

I again this year must express my sincere appreciation to Kathy Todd, our Finance Director, and her staff for all the hard work they have done to make this budget understandable and a working document. This would not have come together as it did without her dedication to the task.

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, 2017

Christopher P. Morrill

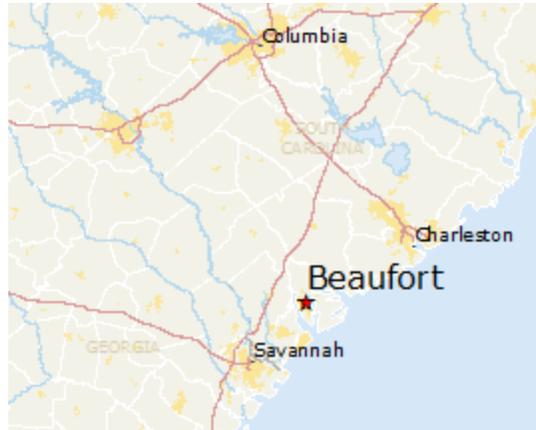
Executive Director

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, 2017. 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.

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 later 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.



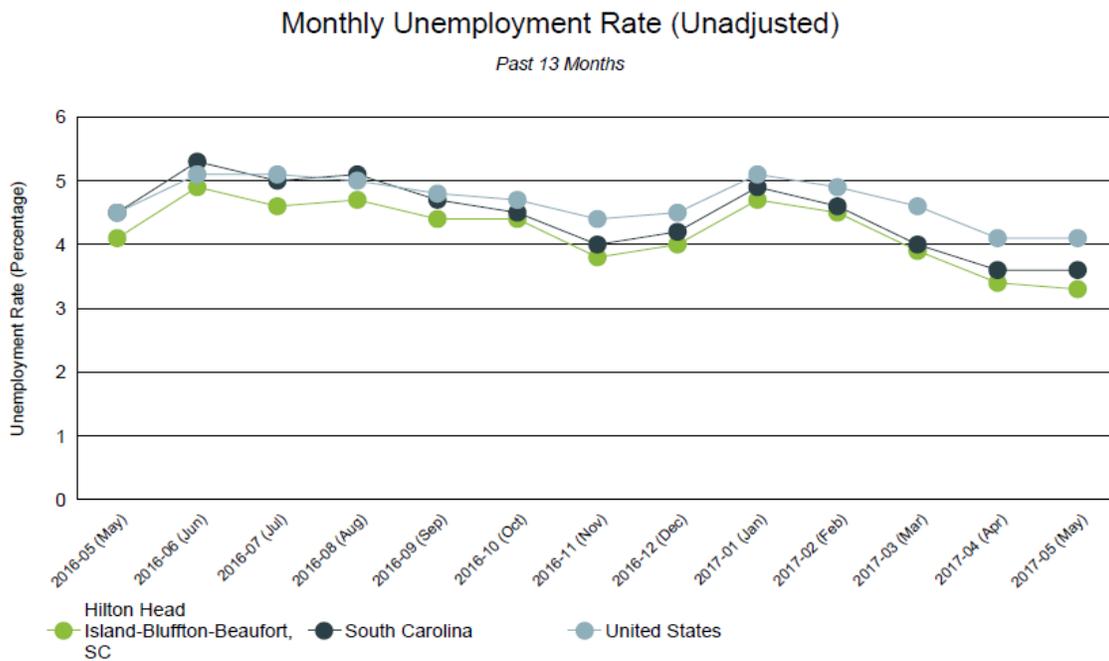
The military presence in and around the community is one of the largest economic sectors in Beaufort. Beaufort's military bases employ thousands of jobs directly and indirectly related to base operations and pump millions of dollars into the local economy.

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 The South's Best Small Town 2017 by Southern Living Magazine.

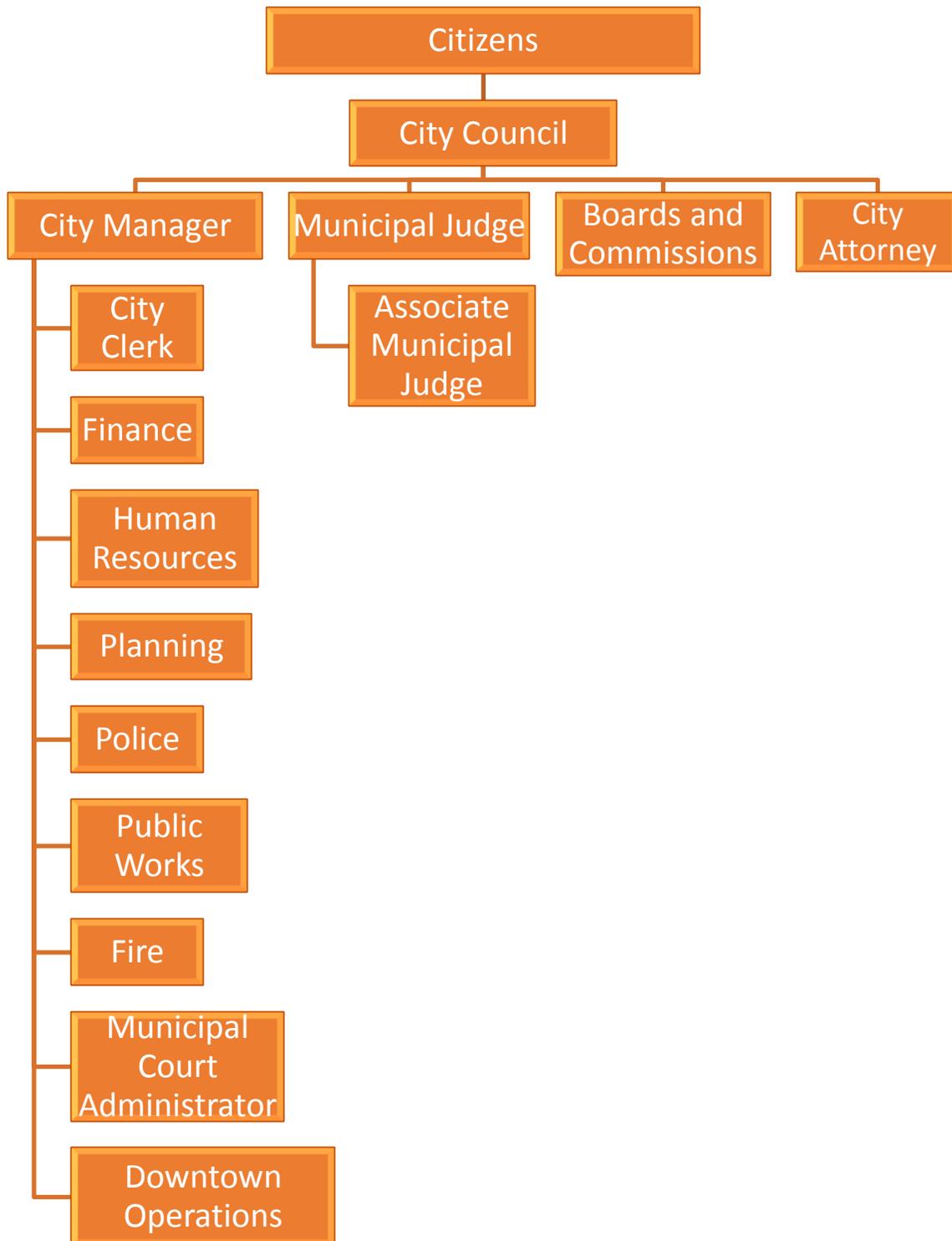
The following is a list of principal property taxpayers within the City of Beaufort.

Taxpayer ²	2017		
	Taxable Assessed Value ²	Rank	% of Total City Net Assessed Value
USPG Portfolio Eight, LLC	\$ 1,165,500	1	1.37%
Wal-Mart Real Estate Business Trust	1,125,560	2	1.32%
303 Associates, LLC	932,210	3	1.09%
Ribaut Holdings, LLC	875,350	4	1.03%
Lowes Home Center, Inc.	621,880	5	0.73%
Hotel Beaufort LP	617,050	6	0.72%
HMV Hotels LLC	583,730	7	0.68%
Cross Creek Apartments Holdings, LLC	536,070	8	0.63%
Beaufort Dealership Properties LLC	473,250	9	0.56%
Public Supermarkets, Inc.	465,400	10	0.55%

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.



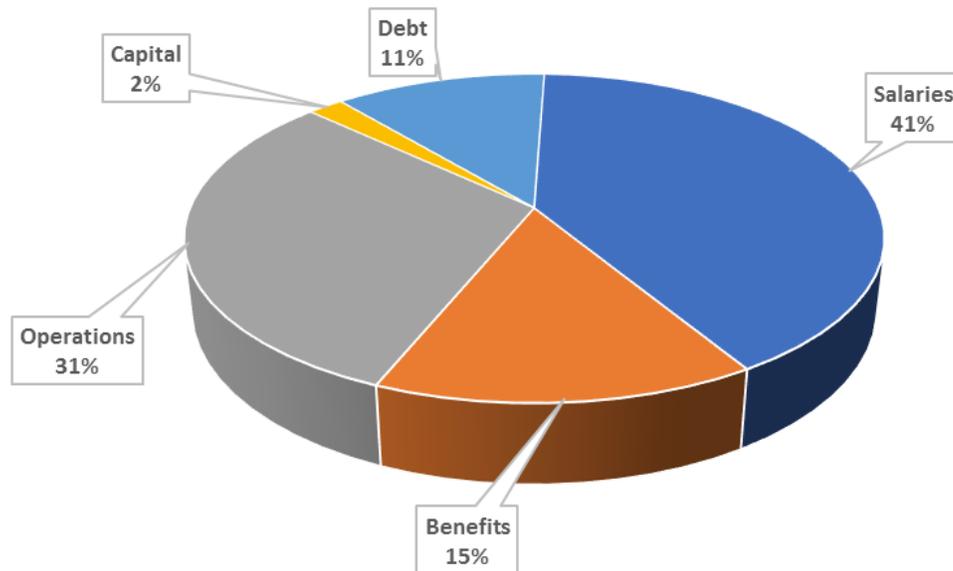
Organization Chart



Consolidated FY19 Adopted Budget Summary

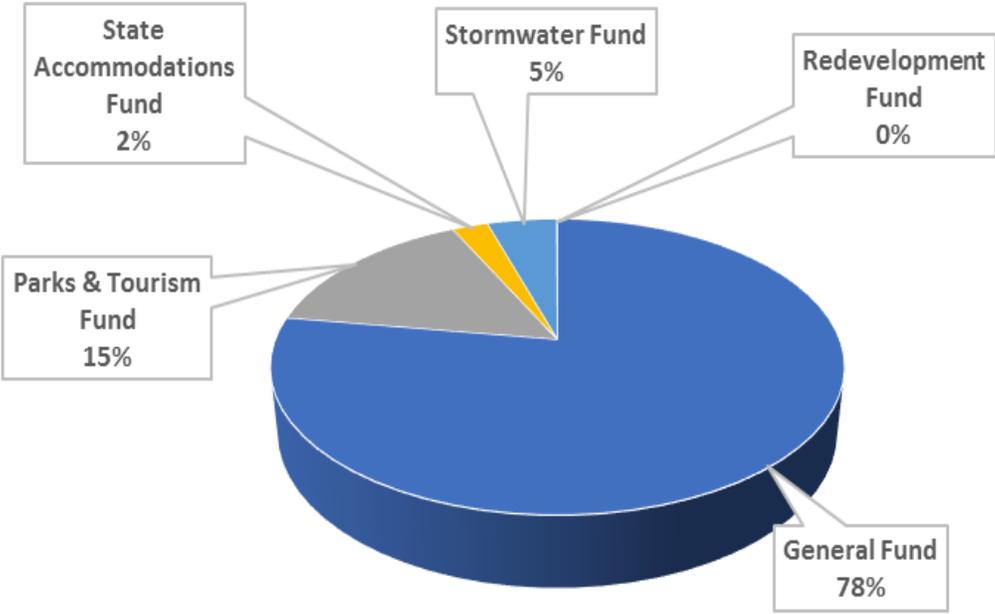
	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Redevelopment Fund	Total
Revenues	\$ 17,660,321	\$ -	\$ 3,504,985	\$ 1,065,306	\$ 549,311	\$ 12,000	\$ 22,791,923
Salaries	\$ 7,602,976	\$ -	\$ 1,429,722	\$ 291,953	\$ 35,704	\$ -	\$ 9,360,355
Benefits	2,750,950	-	530,405	128,490	16,376	-	3,426,221
Operating	5,337,950	14,000	1,100,949	98,443	497,231	12,000	7,060,573
Capital	145,575	170,000	134,800	-	-	-	450,375
Debt	1,822,870	-	309,109	546,420	-	-	2,678,399
Total Expenditures	\$ 17,660,321	\$ 184,000	\$ 3,504,985	\$ 1,065,306	\$ 549,311	\$ 12,000	\$ 22,975,923
Net (Deficit) Surplus	\$ -	\$ (184,000)	\$ -	\$ -	\$ -	\$ -	\$ (184,000)

Percentage of Expenditures covered by Revenues



Consolidated Revenue Budget Summary

	FY 2018		FY 2019		% Change
	FY 2017 Actual	Amended Budget	Adopted Budget	Change	
General Fund	\$ 18,614,011	\$ 16,571,803	\$ 17,660,321	\$ 1,088,518	6.57%
Special Revenue Funds					
Parks and Tourism Fund	3,339,550	3,293,000	3,504,985	211,985	6.44%
State Accommodations Fund	499,374	496,776	549,311	52,535	10.58%
Stormwater Fund	841,600	855,000	1,065,306	210,306	24.60%
Redevelopment Fund	257,000	171,193	12,000	(159,193)	-92.99%
	<u>\$ 23,551,535</u>	<u>\$ 21,387,772</u>	<u>\$ 22,791,923</u>	<u>\$ 1,404,151</u>	6.57%



FY19 Consolidated Revenue Budget Highlights

- Property Tax Reassessment – Real Property only:
 - Taxable Assessed Value (TY 2017) = \$71,991,790
 - Following Reassessment – Taxable Assessed Value (estimate) = \$79,790,650
 - This includes taxable assessed growth of \$5,159,710 or 6.47%
- The rollback millage is 69.60mils – 52.20 mils for operating and 17.40 mils for debt.
- Property Tax in the General Fund includes a growth and CPI increase in the operating mil of 2.72%, or 1.42 mils, and an increase of 1.57 mils in the debt mil sufficient to cover the City's FY 2019 eligible debt payments.
 - Growth adds an estimated \$131,374 to the City's property tax revenues.
 - The debt mil increase adds \$144,897 of property tax revenues. The debt mil is not subject to the Act 388 limitations on mil value increases.
- Reimbursement of the SAFER grant for the Fire Department personnel adds \$660,108 to the General Fund intergovernmental revenues.
- Parks and Tourism fund records the local hospitality and accommodations taxes along with other tourism related revenues. Revenues from these sources are anticipated to increase 7% - from \$2.7M in FY 2018 to \$2.8M projected for FY 2019.
- Stormwater Utility Fund revenues adopts an increase from \$105 to \$135, in order to generate sufficient revenues to cover the anticipated issuance of a Revenue Bond.

Consolidated Expenditure Budget Summary

	FY 2017 Actual	FY 2018 Amended Budget	FY 2019 Adopted Budget	Change	% Change
General Fund					
Salaries	\$ 7,705,485	\$ 8,201,001	\$ 7,602,976	\$ (598,025)	-7.29%
Benefits	2,441,562	2,852,502	2,750,950	(101,552)	-3.56%
Operations	5,393,109	5,161,403	5,337,950	176,547	3.42%
Capital	2,154,870	1,096,732	145,575	(951,157)	-86.73%
Debt	1,307,223	1,439,667	1,822,870	383,203	26.62%
Transfers Out	43,552	159,193	-	(159,193)	-100.00%
Total General Fund	\$ 19,045,800	\$ 18,910,498	\$ 17,660,321	\$ (1,250,177)	-6.61%
Parks and Tourism Fund					
Salaries	\$ 195,109	\$ 256,037	\$ 1,429,722	\$ 1,173,685	458.40%
Benefits	68,030	102,994	530,405	427,411	414.99%
Operations	705,620	811,466	1,100,949	289,483	35.67%
Capital	46,836	111,000	134,800	23,800	21.44%
Debt	309,098	309,059	309,109	50	0.02%
Total Parks and Tourism Fund	\$ 1,324,692	\$ 1,590,556	\$ 3,504,985	\$ 1,914,430	120.36%
Stormwater Fund					
Salaries	\$ 133,449	\$ 109,284	\$ 291,953	\$ 182,668	167.15%
Benefits	43,067	36,345	128,490	92,145	253.52%
Operations	256,715	500,150	98,443	(401,708)	-80.32%
Capital	14,516	55,000	-	(55,000)	-100.00%
Debt	-	-	546,420	546,420	100.00%
Transfers Out	448,696	129,198	-	(129,198)	-100.00%
Total Stormwater Fund	\$ 896,444	\$ 829,978	\$ 1,065,305	\$ 235,328	28.35%
State Accommodations Fund					
Salaries	\$ 74,821	\$ 76,552	\$ 35,704	\$ (40,848)	-53.36%
Benefits	34,911	21,132	16,376	(4,756)	-22.51%
Operations	444,288	350,503	446,015	95,512	27.25%
Transfers Out	48,719	48,589	51,216	2,627	5.41%
Total State Accommodations Fund	\$ 602,739	\$ 496,776	\$ 549,311	\$ 52,535	10.58%
TIF II Fund					
Operations	\$ 29,900	\$ -	\$ 14,000	\$ 14,000	100.00%
Capital	-	-	170,000	170,000	100.00%
Debt	565,215	-	-	-	0.00%
Total TIF II Fund	\$ 595,115	\$ -	\$ 184,000	\$ 184,000	100.00%
Redevelopment Fund					
Salaries	\$ 51,095	\$ 69,315	\$ -	\$ (69,315)	-100.00%
Benefits	18,776	22,109	-	(22,109)	-100.00%
Operations	165,663	324,769	12,000	(312,769)	-96.31%
Capital	233,379	-	-	-	0.00%
Total Redevelopment Fund	\$ 468,913	\$ 416,193	\$ 12,000	\$ (404,193)	-97.12%
Total All Funds	\$ 22,933,704	\$ 22,244,001	\$ 22,975,923	\$ 731,922	3.29%

FY19 Consolidated Expenditure Budget Highlights

Salaries and Benefits

- Six (6) new Full Time Employees.
- Increase in Salary costs for SAFER Fire Department grant (reimbursed 75%).
- Increase in Retirement Contribution by PEBA of 1%.
- Increase in dental premiums

Operations

- Decreased 4.7% despite increases in property and vehicles insurance premiums.

Capital

- Decreased \$812,357 or 64%.
- Adopted budget includes lease payments under the Enterprise Fleet Management program, replacing 30 old and worn vehicles at a cost of \$240,000.
 - This is a significant reduction in vehicle replacement costs.
 - FY 2018 budget contained 12 replacement vehicles for a cost of \$427,000.

Debt

- Increased \$1,000,000
 - \$74,000 in increased payments on existing GO Bonds.
 - \$546,000 toward the anticipated Stormwater Revenue Bond (paid for by Stormwater revenue).
 - \$139,000 for the FY 2018 vehicles acquired under a capital lease.
 - \$241,000 under the ESCO project, though debt mil is established to cover only a portion of this payment.

Budget Ordinance

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR THE CITY OF BEAUFORT FOR FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019; 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, 2018 and ending June 30, 2019, 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, 2018 and ending June 30, 2019, 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 14, 2018 meeting.

SECTION 2. MILLAGE

The Beaufort County Auditor is hereby authorized and directed to levy the Fiscal Year 2018 – 2019 a tax of 74.59 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	53.62
City Debt Service	18.97
City Reserve Mil	2.00

SECTION 3. CITY OPERATIONS APPROPRIATION

An amount of \$22,975,810 is appropriated to the City of Beaufort to fund City Operations as follows:

	<u>Appropriation</u>
<u>General Fund</u>	
Non Departmental	\$ 138,279
City Council	159,001
City Manager	498,973
Finance	781,178
Human Resources	177,440
Information Technology	470,729
Municipal Court	526,806
Planning	909,922
Police Operations	4,041,005
School Resource Officer	281,501
School Crossing Guards	27,376
Victims Rights	83,503
Beaufort Fire	5,208,177
Public Works	417,354
Streets & Traffic	906,333
Facilities Maintenance	557,424
Solid Waste	736,067
Debt Service	<u>1,739,254</u>
Total General Fund	<u>\$ 17,660,321</u>
<u>TIF II Fund</u>	<u>\$ 184,000</u>
<u>Parks & Tourism Fund</u>	
Police Operations	\$ 1,267,788
Marina	30,974
Waterfront Park Operations	476,135
Waterfront Park Debt Service	309,109
Parking	49,100
Other Parks & Tourism	936,089
Other Downtown Operations	312,205
Tourism Marketing	<u>123,585</u>
Total Parks & Tourism Fund	<u>\$ 3,504,985</u>
<u>Stormwater Utility Fund</u>	
Stormwater Utility Operations	\$ 518,886
Debt Service	<u>546,420</u>
Total Stormwater Utility Fund	<u>\$ 1,065,306</u>
<u>State Accommodations Fund</u>	
Police Operations	\$ 59,680
Designated Marketing Organization	157,293
ATAX Grant Awards	281,122
Transfers out	<u>51,216</u>
Total State Accommodations Fund	<u>\$ 549,311</u>
<u>Redevelopment Fund</u>	<u>\$ 12,000</u>
Total Appropriations	<u>\$ 22,975,923</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, 2018, 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	\$ 7,028,088
Licenses & Permits	3,973,000
Intergovernmental	2,878,189
Franchise Fees	2,230,243
Charges for Services	1,067,316
Fines & Forfeitures	278,000
Miscellaneous	134,269
Interest	20,000
Transfers In	51,216
Total General Fund	<u>\$ 17,660,321</u>
<u>Parks & Tourism Fund</u>	
Other Taxes	\$ 2,916,159
Charges for Services	588,826
Total Parks & Tourism Fund	<u>\$ 3,504,985</u>
<u>Stormwater Utility Fund</u>	
Charges for Services	<u>\$ 1,065,306</u>
Total Stormwater Utility Fund	<u>\$ 1,065,306</u>
<u>State Accommodations Fund</u>	
Other Taxes	<u>\$ 549,311</u>
Total State Accommodations Fund	<u>\$ 549,311</u>
<u>Redevelopment Fund</u>	
Charges for Services	<u>\$ 12,000</u>
Total Redevelopment Fund	<u>\$ 12,000</u>
Total Revenues	<u>\$ 22,791,923</u>

SECTION 5. ESTABLISHMENT OF A MASTER FEE SCHEDULE

A Master Fee Schedule listing all fees charged by the City for Fiscal Year 2019 is included and incorporated for reference as Attachment A. Included in the Master Fee Schedule is the adoption of the increase in the Stormwater Utility Fee from \$105 to \$135.

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 2017-2018 ENCUMBRANCES AND REMAINING GRANT AUTHORIZATIONS REAPPROPRIATED, RECORDING OF ASSIGNMENTS OF AMOUNTS APPROPRIATED FROM FUND BALANCE.

Encumbrances in each fund at June 30, 2018, representing obligations made against 2017-2018 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 2018-2019 budget year as such obligations are satisfied, provided that such encumbrances, when taken together with the FY 2017-2018 expenditures, do not cause any fund to exceed its budgetary authorization for the year ended June 30, 2018.

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 2018-2019 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 2019, are hereby approved.

SECTION 13. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2018. Approved and adopted on the second and final reading this 26rd day of June 2018.


BILLY KEYSERLING, MAYOR

ATTEST:


IVETTE BURGESS, CITY CLERK

1ST Reading June 12, 2018

2nd Reading & Adoption June 26, 2018

Reviewed by: William Harvey III, City Attorney, 6/6/2018

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 to adopt the budget.
- State law requires the City Council to adopt a balanced budget prior to June 30. Budget amendments are allowed under South Carolina law and are made throughout the year as necessary.



Budget Calendar

January 2018:	Begin planning for City Council retreat, establishing agenda
February 12-13, 2018:	City Council Retreat – Department Heads, Redevelopment Commission and other interest constituents invited
March 5, 2018:	Budget Entry at Level 1 available for departmental budget requests
April 6, 2018:	All departmental Budget Requests completed by close of business
April 17, 2018:	City Manager presentation in Worksession on FY 2019 goals and Revenue Projections for Major Revenue Sources – Property Tax, Local Accommodations & Local Hospitality Tax, and Business License Tax, and Other Major Revenues
April 24, 2018:	Courts and Planning Budget Presentations in Worksession
May 8, 2018:	Fire and Public Works Budget Presentation in Worksession
May 15, 2018:	Police and Administrative Departments Budget Presentations in Worksession
May 22, 2018:	City Manager Budget presentation to City Council Worksession
May 29, 2018:	Publication date of Public Notice of Public Hearing for FY 2019 Budget
June 12, 2018:	Public Hearing on FY 2019 Budget in City Council meeting First Reading on FY 2019 Budget Ordinance in City Council meeting
June 26, 2018:	Second Reading on FY 2019 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.

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.

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 2018-2020

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 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-term plan and identify available revenue streams to address the City's infrastructure. Develop engineering and construction plans to address Stormwater, flooding, and rising sea level issues that will affect the City.

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 maintain a comprehensive, proactive communication plan.

Rationale: *Providing accurate, timely information to the public through all media avenues with an eye on ensuring enhanced dissemination of information on all projects and on the daily operations of the City is critical to an informed citizenry, transparency in governance, and shared understanding of what is happening in our community. By increasing information to the community, we will create avenues to opportunities with the City for citizens and businesses. While traditional methods will be utilized, we are committed to utilizing all forms of social media to the fullest.*

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 significant growth through infill development within the Northwest Quadrant, parts of the Old Commons, and parts of Dixon Village.

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.*

Goal 6: Create and coordinate opportunities for housing that is affordable to be constructed in the City.

Rationale: *Council recognizes that a successful community serves a broad range of citizens, with a wide scope of housing needs. Beaufort enjoys iconic mansions, homes of Lowcountry vernacular, and attractive residences that are more modest in scale, but which house many who make up the fabric of our daily life in the City. We recognize the need to have affordable housing to ensure a diverse housing portfolio and continue income diversity within our borders.*

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 25% of expenditures and recurring transfers. This 25% goal amounts to \$4,415,080 for FY 2019. The total estimated fund balance for the General Fund for the year beginning July 1, 2018 is \$9,003,100. No other fund balance policies exist.

A summary of the estimated changes in Fund Balance for FY 2019 follows:

	Beginning Fund Balance Estimate	Revenues and Other Sources	Expenditures and Other Uses	Ending Fund Balance Estimate	\$ Change	% Change
General Fund	\$ 9,003,100	\$ 17,660,321	\$ 17,660,321	\$ 9,003,100	\$ -	0.0%
Special Revenue Funds:					-	
State Accommodations Fund	80,300	549,311	549,311	80,300	-	0.0%
TIF II Fund	6,840,000	-	184,000	6,656,000	(184,000)	-2.7%
Parks and Tourism Fund	-	3,504,985	3,504,985	-	-	0.0%
Stormwater Fund	-	1,065,306	1,065,306	-	-	0.0%
Redevelopment Fund	138,700	12,000	12,000	-	-	0.0%
Total	<u>\$ 16,062,100</u>	<u>\$ 22,791,923</u>	<u>\$ 22,975,923</u>	<u>\$ 15,739,400</u>	<u>\$(184,000)</u>	-1.1%

In the TIF II Fund, a budgeted use of fund balance in the amount of \$184,000 is adopted for FY 2019. The collection of TIF II revenues has ended with the payment in full of associated TIF II debt and therefore the remaining fund balance will be spent on projects within the TIF II district.

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, 2017	\$ 100,408,720
Debt Limit - (8% of Total Assessed Value)	8,032,698
Current General Bonded Debt	<u>(1,180,000)</u>
Legal Debt Margin	<u><u>\$ 6,852,698</u></u>

The following is the City's breakdown of budgeted principal and interest for FY19 debt payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Debt	\$ 1,005,000	\$ 354,597	\$ 1,359,597
Revenue Bonds	222,116	86,982	309,098
Capital Leases	271,801	107,855	379,656
Total	<u>\$ 1,498,917</u>	<u>\$ 549,434</u>	<u>\$ 2,048,351</u>

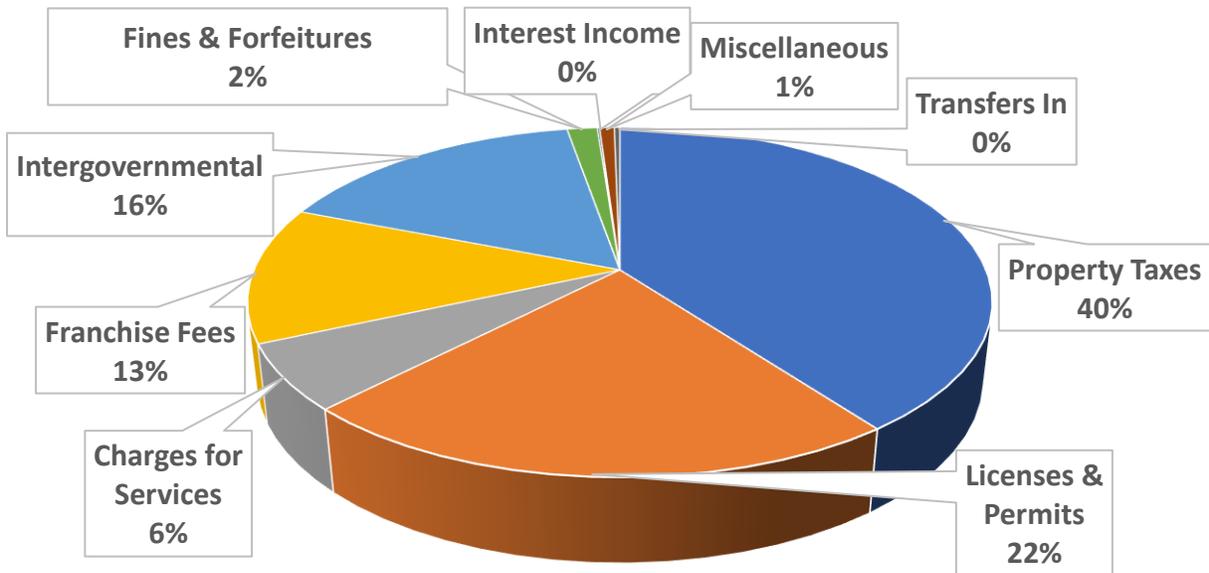
The City plans on entering into a lease agreement in FY19 for \$240,000 to replace 30 old and worn vehicles within various City departments.

The City plans on issuing approximately \$5,000,000 for Stormwater Revenue Bonds in FY19 for future Stormwater projects.

The City's debt millage rate increased from 17.40 rollback mills to 18.97 mills in FY19.

General Fund Revenues Summary

	FY 2017 Actual	FY 2018 Amended Budget	FY 2019 Adopted Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 5,847,926	\$ 6,498,844	\$ 7,028,088	\$ 529,244
Licenses & Permits	4,005,523	3,923,000	3,973,000	50,000
Charges for Services	1,089,606	943,950	1,067,316	123,366
Franchise Fees	2,135,337	2,230,243	2,230,243	-
Intergovernmental	1,913,420	1,838,706	2,878,189	1,039,484
Fines & Forfeitures	272,951	267,500	278,000	10,500
Interest Income	11,631	20,000	20,000	-
Miscellaneous	195,608	145,000	134,269	(10,731)
Transfers In	48,719	48,000	51,216	3,216
Debt Proceeds	3,093,290	656,560	-	(656,560)
Total General Fund Revenues	\$ 18,614,011	\$ 16,571,803	\$ 17,660,321	\$ 1,088,518

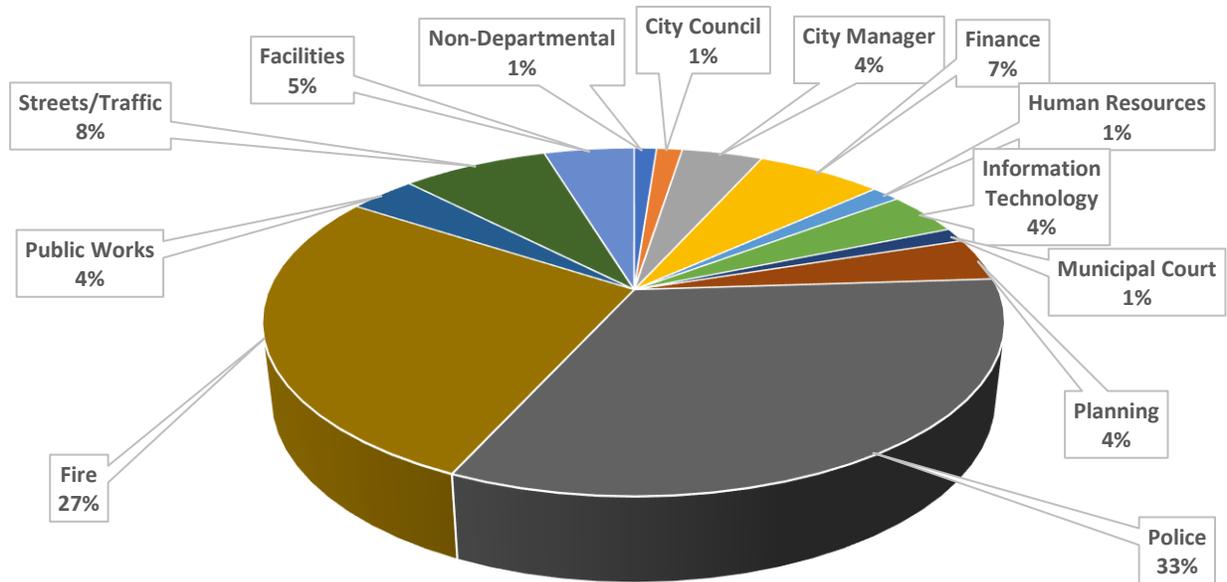


Property Taxes

	FY 2017 Actual	FY 2018 Amended Budget	FY 2019 Adopted Budget
Current Property Taxes	\$ 3,677,539	\$ 4,228,783	\$ 4,523,759
Property Taxes - Debt Mil	1,447,951	1,494,017	1,717,054
Delinquent Property Tax	40,843	211,088	211,088
Penalties & Interest	38,677	33,196	33,196
Vehicle Property Taxes	433,700	325,760	330,620
Homestead Exemption	175,963	175,500	179,871
Motor Carrier	10,090	7,500	7,500
Payment in Lieu	23,163	23,000	25,000
Total Property Taxes	\$ 5,847,926	\$ 6,498,844	\$ 7,028,088
Taxable Assessed Value ¹	\$ 74,340,161	\$ 86,768,288	\$ 92,527,110
Value of Mil	\$ 74,340	\$ 86,768	\$ 92,527

¹ TY 2018 estimated taxable assessed value presented in FY 2019 Adopted budget is based 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 40% of the total revenues.
- TY 2018 represents a Reassessment year on Real Property values requiring a rollback in the millage rate by 5.4%.
 - FY 2018 millage rate of 73.57 mils to FY 2019 rollback millage rate of 69.60 mils.
 - Purpose of rollback millage is to obtain revenue neutrality caused by the reassessment to both the taxpayer and the local government.
 - Rollback millage is calculated prior to additions for growth and CPI as allowed by State Law.
- Taxable assessed value of real property for tax year 2018, following reassessment, is estimated to be \$79,790,640, a 6.47% growth over tax year 2017.
- Taxable assessed value of personal property is estimated for tax year 2018 to be \$8,030,295, a 10% decrease from tax year 2017, due to adjustments made to more conservatively assess tax on delinquent filers.
- Vehicle taxable assessed value is estimated for tax year 2018 of \$6,301,792, a 6.2% increase over tax year 2017. Total Taxable Assessed Value is estimated at \$92,527,110.
- The growth in taxable assessed value is 6.47% higher than the prior tax year and CPI is estimated at 2.72% for a total allowed increase to the rollback millage of 9.19% or 6.4 mils
- The FY 2019 Adopted Budget includes:
 - A recommended increase to the operating mil by the estimated inflationary factor of 2.72% which represents 1.42 mils.
 - The increase in mil value is only applied to the operating mil, raising the rollback operating mil from 52.20 to 53.62 mils.
 - An adopted increase to the debt mil sufficient to cover the allowed debt payments of 1.57 mils – from 17.40 rollback mils to 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 74.59 mils.
 - Estimated increase to Property Taxes totals \$529,244 or 8.1%.

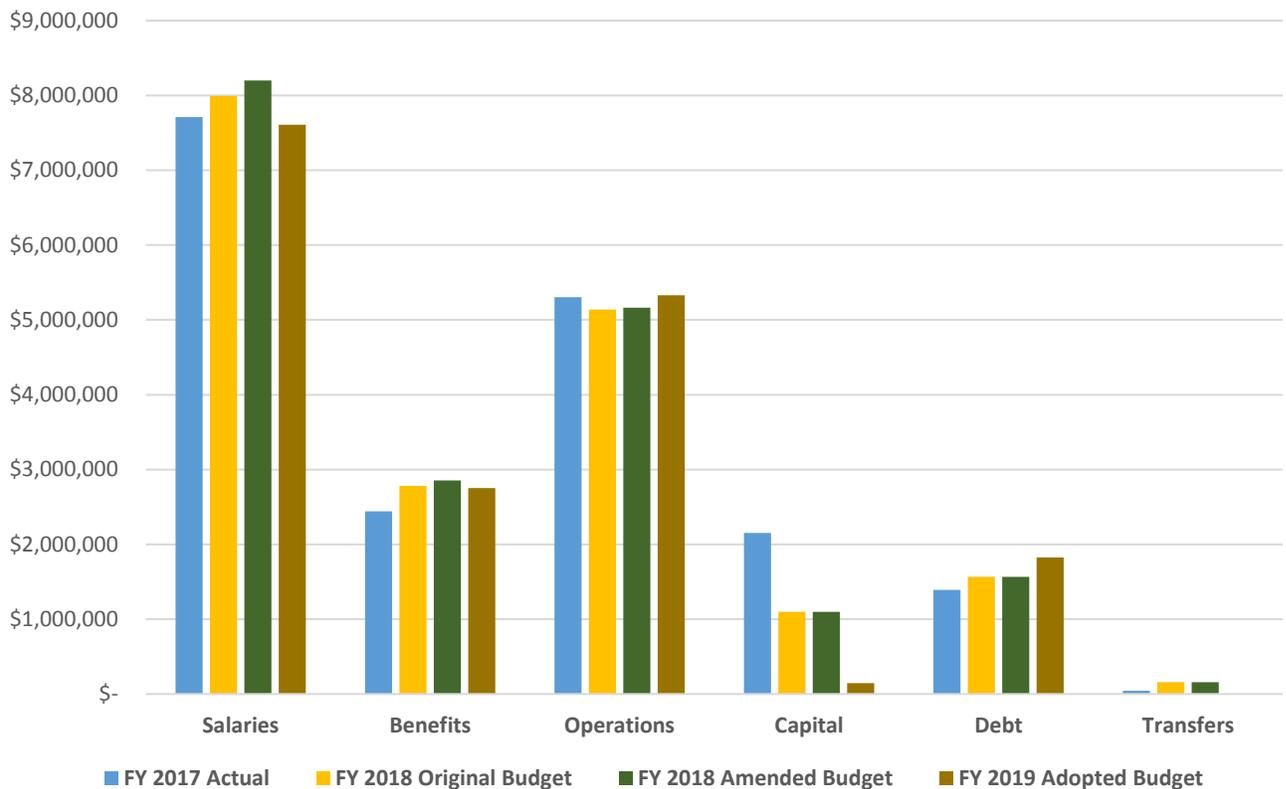
Other Significant General Fund Revenues

- Charges for Services is budgeted for \$123,366 more than FY 2018 due primarily to the capital lease payment anticipated from Commerce Park.
- Intergovernmental Revenues increase is primarily a result of Fire Services charged to the Town of Port Royal.
- 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 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Salaries	\$ 7,710,698	\$ 7,992,517	\$ 8,201,001	\$ 7,608,177
Benefits	2,441,561	2,783,190	2,852,502	2,750,949
Operations	5,304,280	5,138,134	5,161,403	5,328,970
Capital	2,154,870	1,096,732	1,096,732	145,575
Debt	1,390,839	1,565,467	1,565,467	1,826,650
Transfers	43,552	159,193	159,193	-
Total Expenditures	\$ 19,045,800	\$ 18,735,233	\$ 19,036,298	\$ 17,660,321



Salaries

	<u>FY 2017 Actual</u>	<u>FY 2018 Amended Budget</u>	<u>FY 2019 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year</u>	<u>% Change</u>
<u>General Fund</u>					
Non Departmental	\$ 203,530	\$ -	\$ 15,000	\$ 15,000	100.00%
City Council	30,934	31,151	31,151	-	0.00%
City Manager	294,012	315,087	274,501	(40,586)	-12.88%
Finance	400,107	455,446	460,086	4,640	1.02%
Human Resources	67,487	69,506	71,416	1,911	2.75%
Municipal Court	303,201	323,866	317,657	(6,210)	-1.92%
Planning	293,436	358,906	451,580	92,673	25.82%
Police					
Command	2,951,811	3,012,049	2,237,362	(774,687)	-25.72%
School Resource Officers	213,737	176,600	179,072	2,472	1.40%
School Crossing Guards	22,442	21,019	22,444	1,425	6.78%
Victims Rights	54,995	58,105	61,839	3,735	6.43%
Beaufort Fire	2,316,945	2,690,195	2,953,389	263,194	9.78%
Public Works					
Administration	281,250	369,773	228,480	(141,293)	-38.21%
Streets	33,404	33,546	129,978	96,432	287.46%
Traffic Maintenance	94,213	88,647	-	(88,647)	-100.00%
Vehicle Maintenance	40,141	38,876	-	(38,876)	-100.00%
Facilities Maintenance	109,054	158,229	174,222	15,993	10.11%
Total General Fund Salaries	\$ 7,710,699	\$ 8,201,000	\$ 7,608,177	\$ (592,823)	-7.23%
<u>Parks & Tourism Fund</u>					
Parks & Tourism	\$ 195,109	\$ 256,037	\$ 1,429,722	\$ 1,173,685	458.40%
<u>Stormwater Fund</u>					
Stormwater	\$ 133,449	\$ 109,284	\$ 291,953	\$ 182,668	167.15%
<u>State Accommodations Fund</u>					
State Accommodations	\$ 74,821	\$ 76,552	\$ 35,704	\$ (40,848)	-53.36%
<u>Redevelopment Fund</u>					
Redevelopment	\$ 51,095	\$ 69,315	\$ -	\$ (69,315)	-100.00%
Total Salaries	\$ 8,165,173	\$ 8,712,188	\$ 9,365,555	\$ 653,367	7.50%

Full-Time Equivalents by Fund with Comparisons

	FY 2017 Actual FTE's	FY 2018 Adopted FTE's	FY 2019 Adopted FTE's	Change
<u>General Fund</u>				
City Council	5.00	5.00	5.00	-
City Manager ²	3.65	3.60	3.00	(0.60)
Finance	6.00	7.00	7.00	-
Human Resources ²	1.17	1.17	1.50	0.33
Municipal Court ²	6.65	7.20	7.00	(0.20)
Planning ¹	6.00	6.00	7.00	1.00
Police				
Command	53.00	55.00	55.00	-
School Resource Officer	3.00	3.00	3.00	-
School Crossing Guards	4.00	4.00	4.00	-
Victims Rights	1.00	1.00	1.00	-
Beaufort Fire	40.00	56.00	56.00	-
Public Works				
Administration ²	5.00	6.40	6.00	(0.40)
Streets & Traffic Maintenance	3.00	3.00	4.00	1.00
Facilities Maintenance	3.50	3.50	4.50	1.00
Total General Fund Salaries	<u>140.97</u>	<u>161.87</u>	<u>164.00</u>	<u>2.13</u>
	FY 2017 Actual FTE's	FY 2018 Adopted FTE's	FY 2019 Recommend ed FTE's	Change
<u>Parks & Tourism Fund</u>				
Parks & Tourism	<u>6.00</u>	<u>8.00</u>	<u>10.00</u>	<u>2.00</u>
<u>Stormwater Fund</u>				
Stormwater	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>-</u>
<u>State Accommodations Fund</u>				
State Accommodations	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>-</u>
<u>Redevelopment Fund</u>				
Redevelopment ²	<u>1.00</u>	<u>1.00</u>	<u>-</u>	<u>(1.00)</u>
Total FTE's	<u>153.97</u>	<u>176.87</u>	<u>180.00</u>	<u>3.13</u>

¹ Represents a true vacancy for recommended additional personnel in the following departments: City Manager (2) temporary, part-time interns, Human Resources increase by 33% for Administrative Assistant, Planning (1) fulltime personnel for Building Inspections, Public Works (3) fulltime personnel – 1 in Parks, 1 in Facilities Maintenance and 1 in Streets.

² Change represents a reallocation of salaries and benefits of a position to another department.

Benefits

	FY 2017 Actual	FY 2018 Amended Budget	FY 2019 Recommended Budget	Change	% Change
Non Departmental	\$ 6,570	\$ -	\$ -	\$ -	0.00%
City Council	13,219	12,628	9,343	(3,285)	-26.01%
City Manager	92,367	91,968	100,061	8,093	8.80%
Finance	109,163	132,098	144,256	12,157	9.20%
Human Resources	21,901	23,713	25,256	1,543	6.51%
Municipal Court	91,663	112,097	99,442	(12,654)	-11.29%
Planning	107,574	131,161	173,437	42,276	32.23%
Police					
Command	940,928	1,025,349	804,548	(220,801)	-21.53%
School Resource Officers	75,328	66,494	74,829	8,336	12.54%
School Crossing Guards	3,475	3,469	3,932	463	13.34%
Victims Rights	12,283	14,104	15,619	1,516	10.75%
Beaufort Fire	789,201	955,810	1,117,072	161,262	16.87%
Public Works					
Administration	90,747	124,656	62,468	(62,188)	-49.89%
Streets	6,572	7,261	52,500	45,240	623.07%
Traffic Maintenance	38,127	39,177	-	(39,177)	-100.00%
Vehicle Maintenance	16,001	17,112	-	(17,112)	-100.00%
Facilities Maintenance	26,442	38,722	68,186	29,464	76.09%
Total General Fund Benefits	<u>\$ 2,441,562</u>	<u>\$ 2,795,818</u>	<u>\$ 2,750,950</u>	<u>\$ (44,868)</u>	<u>-1.60%</u>
<u>Parks & Tourism Fund</u>					
Parks & Tourism	<u>\$ 68,030</u>	<u>\$ 102,994</u>	<u>\$ 530,405</u>	<u>\$ 427,411</u>	<u>414.99%</u>
<u>Stormwater Fund</u>					
Stormwater	<u>\$ 43,067</u>	<u>\$ 36,345</u>	<u>\$ 128,490</u>	<u>\$ 92,145</u>	<u>253.52%</u>
<u>State Accommodations Fund</u>					
State Accommodations	<u>\$ 34,911</u>	<u>\$ 21,132</u>	<u>\$ 16,376</u>	<u>\$ (4,756)</u>	<u>-22.51%</u>
<u>Redevelopment Fund</u>					
Redevelopment	<u>\$ 18,776</u>	<u>\$ 22,109</u>	<u>\$ -</u>	<u>\$ (22,109)</u>	<u>-100.00%</u>
Total Benefits	<u><u>\$ 2,606,346</u></u>	<u><u>\$ 2,978,398</u></u>	<u><u>\$ 3,426,221</u></u>	<u><u>\$ 447,823</u></u>	<u><u>15.04%</u></u>

General Fund Expenditures by Department

	FY 2017 Actual Expenditures	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget	Change	% Change
<u>Non Departmental</u>						
Salaries	\$ 203,530	\$ -	\$ -	\$ 15,000	\$ 15,000	100.0%
Benefits	6,570	-	-	-	-	0.0%
Operations	131,252	124,249	124,249	123,279	(970)	-0.8%
Capital	484,241	325,680	325,680	-	(325,680)	-100.0%
Debt	-	125,800	125,800	-	(125,800)	-100.0%
Transfers Out	-	159,193	159,193	-	(159,193)	-100.0%
Total Non Departmental	\$ 825,593	\$ 734,922	\$ 734,922	\$ 138,279	\$ (596,643)	-81.2%
<u>City Council</u>						
Salaries	\$ 30,934	\$ -	\$ 31,151	\$ 31,151	\$ -	0.0%
Benefits	13,219	-	12,628	9,343	(3,285)	-26.0%
Operations	112,970	120,757	120,760	118,507	(2,253)	-1.9%
Total City Council	\$ 157,123	\$ 120,757	\$ 164,539	\$ 159,001	\$ (5,538)	-3.4%
<u>City Manager</u>						
Salaries	\$ 294,012	\$ 315,087	\$ 315,087	\$ 274,501	\$ (40,586)	-12.9%
Benefits	92,367	91,968	91,968	100,061	8,093	8.8%
Operations	111,354	50,322	50,322	124,411	74,089	147.2%
Total City Manager	\$ 497,733	\$ 457,377	\$ 457,377	\$ 498,973	\$ 41,596	9.1%
<u>Finance & Information Technology</u>						
Salaries	\$ 400,107	\$ 455,446	\$ 455,446	\$ 460,086	\$ 4,640	1.0%
Benefits	109,163	132,098	132,098	144,256	12,158	9.2%
Operations	668,672	676,179	676,179	647,565	(28,614)	-4.2%
Total Finance & Information Technology	\$ 1,177,942	\$ 1,263,723	\$ 1,263,723	\$ 1,251,907	\$ (11,816)	-0.9%

General Fund Expenditures by Department (Continued)

	FY 2017 Actual Expenditures	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget	Change	% Change
<u>Human Resources</u>						
Salaries	\$ 67,487	\$ 69,506	\$ 69,506	\$ 71,416	\$ 1,910	2.7%
Benefits	21,901	23,713	23,713	25,256	1,543	6.5%
Operations	64,075	83,912	83,912	80,768	(3,144)	-3.7%
Total Human Resources	\$ 153,463	\$ 177,131	\$ 177,131	\$ 177,440	\$ 309	0.2%
<u>Municipal Court</u>						
Salaries	\$ 303,201	\$ 323,866	\$ 323,866	\$ 317,657	\$ (6,209)	-1.9%
Benefits	91,663	112,097	112,097	99,442	(12,655)	-11.3%
Operations	51,275	60,667	60,667	109,707	49,040	80.8%
Total Municipal Court	\$ 446,139	\$ 496,630	\$ 496,630	\$ 526,806	\$ 30,176	6.1%
<u>Planning</u>						
Salaries	\$ 293,436	\$ 358,906	\$ 358,906	\$ 451,580	\$ 92,674	25.8%
Benefits	107,574	131,161	131,161	173,437	42,276	32.2%
Operations	352,112	329,290	337,656	284,905	(52,751)	-15.6%
Total Planning	\$ 753,122	\$ 819,357	\$ 827,723	\$ 909,922	\$ 82,199	9.9%
<u>Police</u>						
Salaries	\$ 3,242,984	\$ 3,267,773	\$ 3,267,773	\$ 2,500,718	\$ (767,055)	-23.5%
Benefits	1,032,014	1,109,415	1,109,415	898,928	(210,487)	-19.0%
Operations	742,474	777,839	779,848	977,164	197,316	25.3%
Capital Outlay	213,611	391,000	391,000	56,575	(334,425)	-85.5%
Total Police	\$ 5,231,083	\$ 5,546,027	\$ 5,548,036	\$ 4,433,385	\$ (1,114,651)	-20.1%

General Fund Expenditures by Department (Continued)

	FY 2017 Actual Expenditures	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget	Change	% Change
<u>Fire</u>						
Salaries	\$ 2,316,945	\$ 2,512,862	\$ 2,690,195	\$ 2,953,389	\$ 263,194	9.8%
Benefits	789,201	955,810	1,012,494	1,117,072	104,578	10.3%
Operations	1,153,978	1,016,373	1,019,810	968,319	(51,491)	-5.0%
Capital Outlay	15,889	266,952	266,952	82,000	(184,952)	-69.3%
Debt	83,616	83,617	83,617	87,397	3,780	4.5%
Total Fire	\$ 4,359,629	\$ 4,835,614	\$ 5,073,068	\$ 5,208,177	\$ 135,109	2.7%
<u>Public Works</u>						
Salaries	\$ 558,062	\$ 689,071	\$ 689,071	\$ 532,679	\$ (156,392)	-22.7%
Benefits	177,889	226,928	226,928	183,154	(43,774)	-19.3%
Operations	1,916,118	1,898,546	1,908,000	1,894,345	(13,655)	-0.7%
Capital Outlay	1,441,129	113,100	113,100	7,000	(106,100)	-93.8%
Transfer Out	43,552	-	-	-	-	0.0%
Total Public Works	\$ 4,136,750	\$ 2,927,645	\$ 2,937,099	\$ 2,617,178	\$ (319,921)	-10.9%
<u>General Obligation Debt</u>						
Principal	\$ 925,000	\$ 960,000	\$ 960,000	\$ 1,276,800	\$ 316,800	33.0%
Interest	382,223	396,050	396,050	462,453	66,403	16.8%
Total General Obligation Debt	\$ 1,307,223	\$ 1,356,050	\$ 1,356,050	\$ 1,739,253	\$ 383,203	28.3%
Total General Fund Expenditures	\$ 19,045,800	\$ 18,735,233	\$ 19,036,298	\$ 17,660,321	\$ (1,375,977)	-7.2%

General Fund Expenditure Summary

- During Fiscal Year 2018, in preparation of the Fiscal Year 2019 Budget, City Council approved the creation of two additional Special Revenue Funds: The Parks and Tourism Fund and the Stormwater Utility Fund. The activity for these two funds were previously included in the General Fund prior to Fiscal Year 2018.
- In order to assist in evaluating the Fiscal Year 2019 adopted budget, all activity from these functions for Fiscal Year 2017 and 2018 were excluded from the General Fund presented herein and included in the respective Fiscal Year 2019 budgeted fund.
- 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

Implementation of live streaming of Council meetings.

Received input from commissions and neighborhood groups on important goals.

Active sub-committees with Redevelopment Commission.

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 Redevelopment Commission and grant application.

Reorganized 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

Implemented the Employee Recognition Program.

Implemented the Performance Management evaluation system and Merit based employee evaluations.

Partnered with Beaufort Memorial Hospital to facilitate the City's Occupational Health.

In conjunction with the SAFER grant award for the Fire Department, Human Resources processed fifteen (15) full-time and nine (9) part-time new hires all at one time. This was in addition to the processing of new hires throughout the organization for this fiscal year.

In collaboration with Finance – deployed Employee Self Service.

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

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

Ordinances passed

Citizen complaints

Active Redevelopment 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.

Partnership with Beaufort Memorial Hospital for Occupational Health will provide abundant resources to City Employee's.

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

Economic Development opportunities in Commerce Park

System enhancement in several departments

Strategic Planning for the long-term

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

Current City Council Performance Initiatives

Annexations

Job Creation at reasonable wage levels

Economic Development

Improved Communications

Marina & Park Improvements

Hurricane Preparedness

Pursue the ability to have a Local Option Sales Tax

Current City Manager Performance Initiatives

Pursue economic development opportunities in Commerce Park

Continues leadership and oversight in achieving Strategic Plan goals for 2018 – 2020

Professional Development of staff

Strategic Planning and synchronization of all operational activities

Continue to improve customer services

Oversight of budget

Develop and implement a communications plan

Current Human Resources Performance Initiatives

Professional development

Key Goals and New Initiatives for City Council in Fiscal Year 2019

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

Follow up on Communications plan **(Strategic Goal #3)**

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

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

Create and coordinate opportunities for affordable housing **(Strategic Goal #6)**

Key Goals and New Initiatives for City Manager in Fiscal Year 2019

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

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

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

Oversight of goals in Strategic Plan for 2018 – 2020 **(Strategic Goal #1, 2, 3, 4, 5 & 6)**

Key Goals and New Initiatives for Human Resources in Fiscal Year 2019

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)**

Develop a Summer Youth Work Program.

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 2019 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)

Resources for full time administrative support for Human Resources. (Human Resources budget)

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
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Department Summary

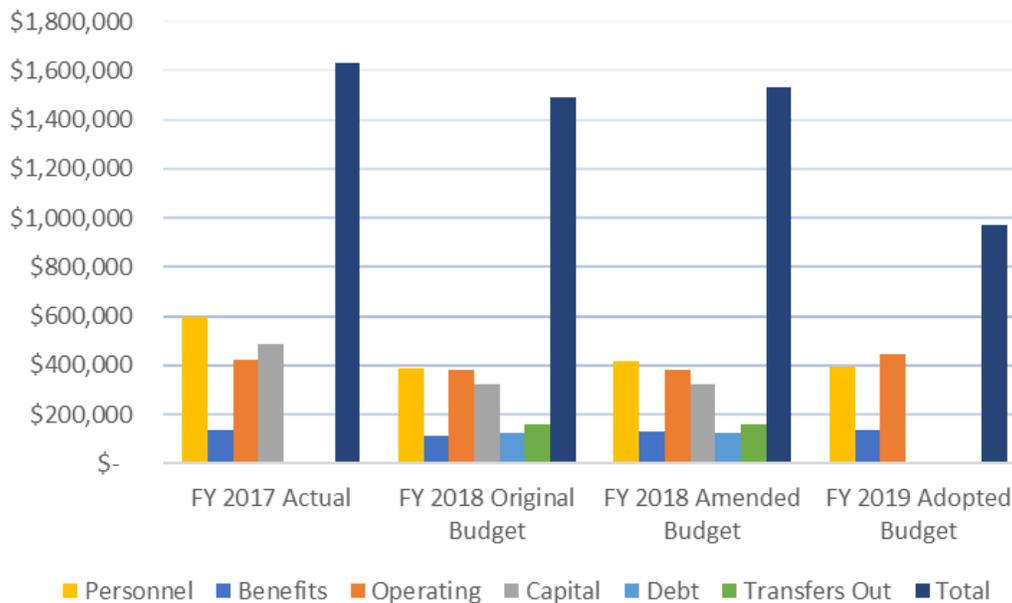
Non-Departmental	\$ 825,593	\$ 734,922	\$ 734,922	\$ 138,279
City Council	157,123	120,757	164,539	159,001
City Manager	497,733	457,377	457,377	498,973
Human Resources	153,463	177,131	177,131	177,440

Total	<u>\$1,633,912</u>	<u>\$ 1,490,187</u>	<u>\$ 1,533,969</u>	<u>\$ 973,693</u>
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Category

Personnel	\$ 595,963	\$ 384,593	\$ 415,744	\$ 392,068
Benefits	134,057	115,681	128,309	134,660
Operating	419,651	379,240	379,243	446,965
Capital	484,241	325,680	325,680	-
Debt	-	125,800	125,800	-
Transfers Out	-	159,193	159,193	-

Total	<u>\$1,633,912</u>	<u>\$ 1,490,187</u>	<u>\$ 1,533,969</u>	<u>\$ 973,693</u>
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Category and Reason for any Major Increases in Fiscal Year 2019 Budget

No major increases in the Other Administrative Expenditure Budget for FY 2019.

City Manager increase is a result of the establishment of the Parks and Tourism fund and moving all of the Parking revenue into that fund. As a result, the contract cost for the grant writer and administrative support to the Redevelopment Commission is reported in the City Manager's budget where in prior years it was reported in the Redevelopment Fund.





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Finance 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 and support to other city departments, citizens, and the community at large; to develop fiscal policies that ensure a financially strong and effective city government; to implement financial policies and procedures that are consistently monitored and reviewed to maintain fiscal integrity; to ensure that generally accepted accounting standards are followed and appropriate internal controls are in place to safeguard City assets; 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 2017. This is the 10th consecutive year the City has received this prestigious award.

Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for fiscal year 2018 Budget Report. This is the first year the City has applied and received this award.

Continued increase in usage of the Business License online portal.

Though slow progress was made through the year due to Finance personnel issues, the permits and codes re-implementation is set to be completed by June 30, 2018.

Online permit payments is also scheduled to be completed by June 30, 2018.

Successfully completed the upgrade to Munis ERP system, version 11.3.

Recent Information Technology Performance Accomplishments

Information Technology completed the upgrade of all switches to 1GB accessibility giving users full use of and stabilization of our internet connectivity.

Information Technology also completed the upgrade of all wireless access points through City facilities.

Performance Measurements to Track Recent Accomplishments

Awards from Government Finance Officers Association

Number of customers using the Online payment portal

Internal feedback

Implementation progress

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Due to staff shortages throughout the fiscal year, the Finance Department was unable to complete:

Additional transparency through enhanced reports on Open Gov

Enhanced reporting tools for internal users

Implementation of the Work Order Module and Citizen reporting tool

Review of the City Procurement Ordinance

All Information Technology goals for fiscal year 2018 have been accomplished.

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 Work Order module and Citizen reporting portal.

Enhanced transparency portal reporting.

Key Performance Indicators	FY 17 Actual	FY 18 Estimate	FY 19 Estimate
Online Business Customers	149	319	350
Users on Transparency Model	87	82	90
Online payments processed	207	450	700

Key Goals and New Initiatives for Fiscal Year 2019 Finance

Continue Lunch n Learn's to enhance training and operating procedures related to: Munis, other new software applications like One Note & Office 365, and standard operating procedures for the common financial activities impacting internal users. **(Strategic Goal #3)**

Increase transparency and effective reporting to internal and external users. **(Strategic Goal #3)**

Complete the implementation of the Work Order system that includes and online Citizen portal. **(Strategic Goal #1)**

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. **(Strategic Goal #1 & 2)**

Key Goals and New Initiatives for Fiscal Year 2019 Information Technology

Complete install of technology infrastructure in Fire Station 4. **(Strategic Goal #1)**

Complete the network upgrades to ensure CJIS compliance. **(Strategic Goal #1)**

Information Technology power and environmental monitoring for all network closets that will promote optimal environmental conditions for IT equipment and provide more effective alerts. **(Strategic Goal #1)**

Training users on Office 365 and its functionality. **(Strategic Goal #3)**

Research cloud based email options to provide greater reliability, survivability and accessibility, especially during a disaster or emergency event. **(Strategic Goal #1 & 3)**

Customer Service Initiatives

Continue to improve internal and external user relations.

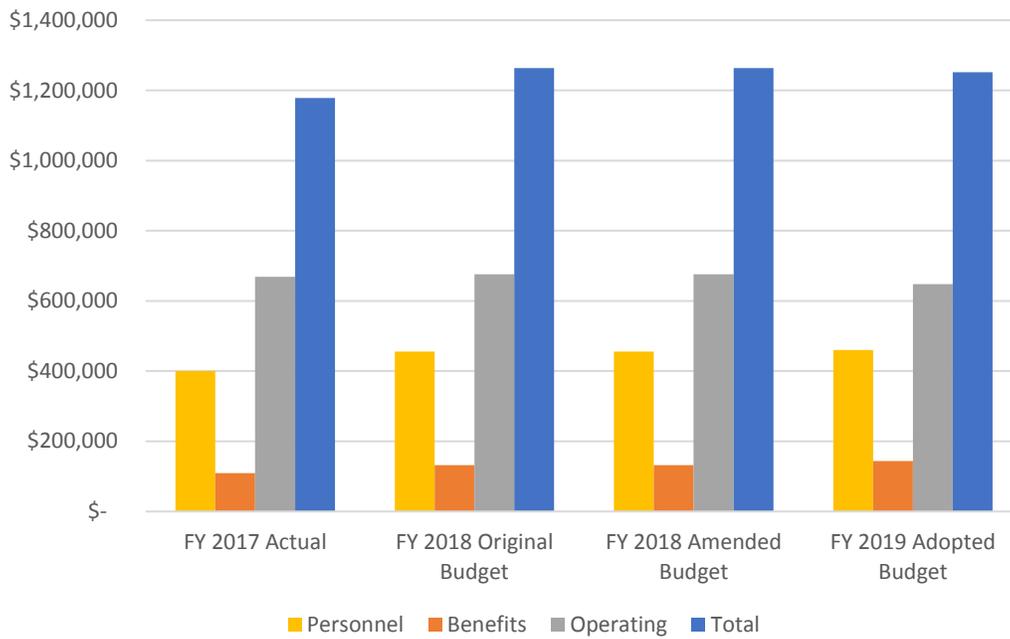
Continue to enhance reporting that supports internal users and assist them at monitoring their efficiencies and effectiveness.

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

Budget request for FY 2019 is slightly below FY 2018 and sufficient to achieve the Finance Department goals and initiatives without additional resources.

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Department Summary				
Finance	\$ 703,916	\$ 772,917	\$ 772,917	\$ 781,178
Information Technology	474,026	490,806	490,806	470,729
Total	<u>\$1,177,942</u>	<u>\$ 1,263,723</u>	<u>\$ 1,263,723</u>	<u>\$ 1,251,907</u>
Category				
Personnel	\$ 400,107	\$ 455,446	\$ 455,446	\$ 460,086
Benefits	109,163	132,098	132,098	144,256
Operating	668,672	676,179	676,179	647,565
Total	<u>\$1,177,942</u>	<u>\$ 1,263,723</u>	<u>\$ 1,263,723</u>	<u>\$ 1,251,907</u>



Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Finance overall budget increased 1.07%

Personnel costs increased 2.2% related to the net merit increases received in fiscal year 2018.

Benefits costs increased 9.2% due to personnel in fiscal year 2018 that did not elect health benefits that were replaced with personnel in fiscal year 2019 that elected health care benefits.

Information Technology costs decreased 4.09%.

The overall department budget decreased .94% from FY 2018.



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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

Contracted with attorney to represent indigent defendants in Municipal Court.

Hosting quarterly meetings with other Summary Courts for solidarity and consistency for Court participants within the 14th Circuit Summary judiciary.

Developing procedures with other agencies for the electronic ticketing system.

Entered into agreement with Town of Yemassee for Bond Court services.

Performance Measurements to Track Recent Accomplishments

Collected less than 1% of the \$322,669.80 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 7,178.

Estimated number of cases processed and transferred in Bond Court will be 3,650.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

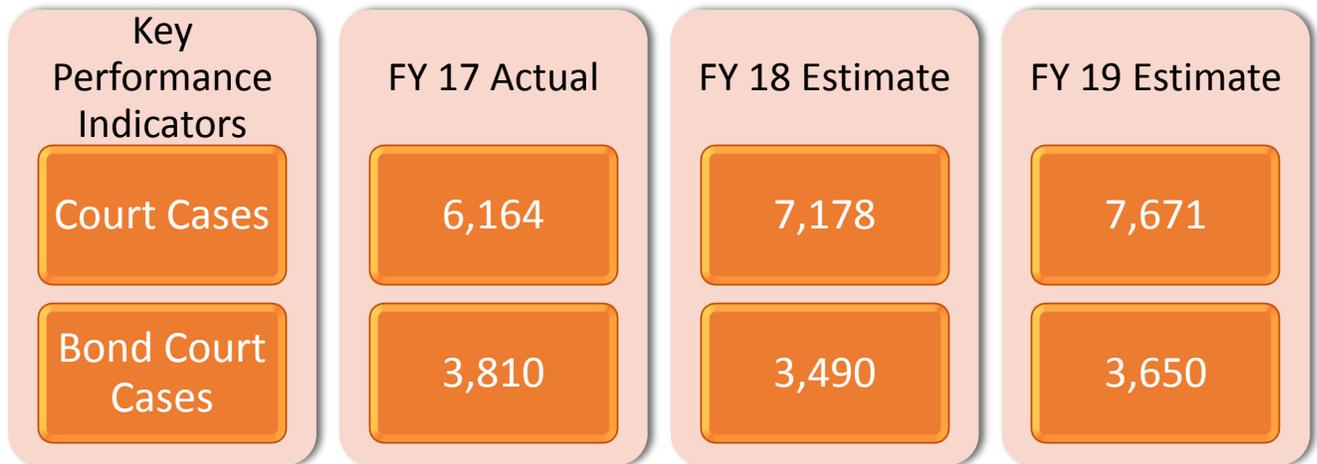
Auditing of scanned documents continues to be a challenge due to time constraints and complexity.

Current Performance Initiatives

Implement and perfect the 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- **Strategic Goal #4**

Continue to cultivate a departmental philosophy enhancing customer service- **Strategic Goal #3**



Key Goals and New Initiatives for Fiscal Year 2019

Explore additional funding sources through partnerships and grants.

Enhance customer service by providing more accessible options digitally and electronically.

Customer Service Initiatives

Explore ways to provide more accessible options digitally and electronically.

Continue the utilization of "Happy or Not" kiosk.

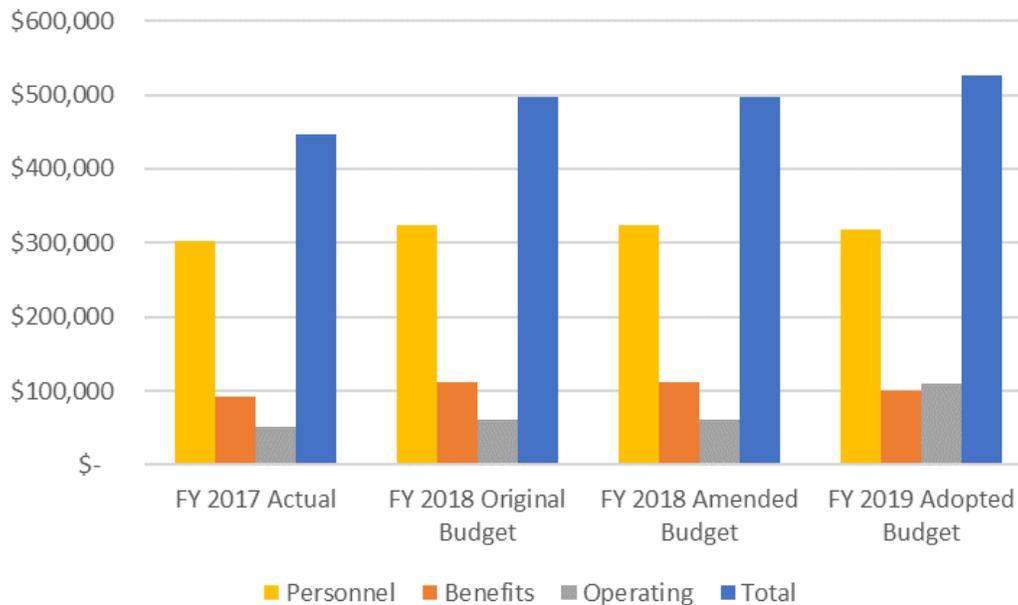
Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

New audio recording software.

Printer replacement at Bond Court.

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Category				
Personnel	\$ 303,201	\$ 323,866	\$ 323,866	\$ 317,657
Benefits	91,663	112,097	112,097	99,442
Operating	51,275	60,667	60,667	109,707
Total	\$ 446,139	\$ 496,630	\$ 496,630	\$ 526,806



Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Contractual Services – Indigent Defense representation



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Planning Department

Department Mission Statement

The mission of the Department of Planning is to preserve and enhance the quality of life in the City of Beaufort. To that end, the Department develops, implements, and enforces plans, programs, policies, and regulations; provides guidance on development proposals; reviews development plans; staffs citizen boards; conducts research; and develops recommendations on planning-related issues for elected and appointed officials. We strive to provide planning and development information in a timely, courteous, and easily understandable manner to our customers that include residents, property owners, neighborhoods, developers, and businesses and local officials. The Department focuses on the long term, keeping the interests of the general public at the forefront of all we do.

Recent Performance Accomplishments

- Adoption and implementation of Beaufort Code
- Two+-year process that included over 60 public meetings
- Munis Permits and Codes module implementation initiated
- Lady's Island Corridor Study completed and adopted
- Southside Park trail construction underway
- Allison Road project encroachment permit received
- Greenlawn Drive Streetscape 60% plans prepared
- Lady's Island Area Plan initiated
- Whitehall subdivision given conceptual approval
- Project Development Planner received Architect licensure

Performance Measurements to Track Recent Accomplishments

Tracking number and type of permits issued (more is better)

Tracking ZBOA applications (fewer is better)

Tracking minor subdivision applications (more is better)

Capital Projects Sales Tax adopted implements Lady's Island Corridor study

Lady's Island Area Plan adopted

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

We continue to work on streamlining the development review process. Our goal is to have a completely electronic plan review system. This will require implementation of the Munis Permit & Codes module and new electronic plan review software.

Preparation of the comprehensive plan will require additional resources—either an outside consultant or an additional staff person with consulting assistance for GIS mapping and analysis, transportation planning, and visioning.

Current Performance Initiatives

Complete 6 month update of Beaufort Code

Staff-level design review completed within 5 days

Move all planning-related board agendas to Novus agenda or similar

Complete CRS 5-year cycle verification—move from Class 7 to Class 6

Break ground on Greenlawn Drive Streetscape Project

Have Landscape Architect become a Certified Arborist

Key Performance Indicators	FY 17 Actual	FY 18 Estimate	FY 19 Estimate
New Single-Family Dwellings	42	45	45
New Multi-family Units	0	48	49
New Commercial Buildings	7	8	10
Net Lots Created	4	4	75 (maybe 300)

Key Goals and New Initiatives for Fiscal Year 2019

Begin 10-year update of comprehensive plan (**Strategic Goals 1, 2, 3, 4, 5 and 6**)

Utilize MUNIS Permit and Codes citizens self service and track results (**Strategic Goal 1**)

Update Historic Resources Survey (**Strategic Goals 4 and 5**)

Customer Service Initiatives

Implement Citizen Self Service so that permits can be submitted on-line

Implement electronic plan review (if purchase of software is approved) so that plans can be submitted on line and plan review is streamlined

5-day review of single-family permit applications; 10-day review of commercial permit applications

Have staff Landscape Architect approved as Certified Arborist

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

Funding for comprehensive plan update

Includes additional planning position and contractual services

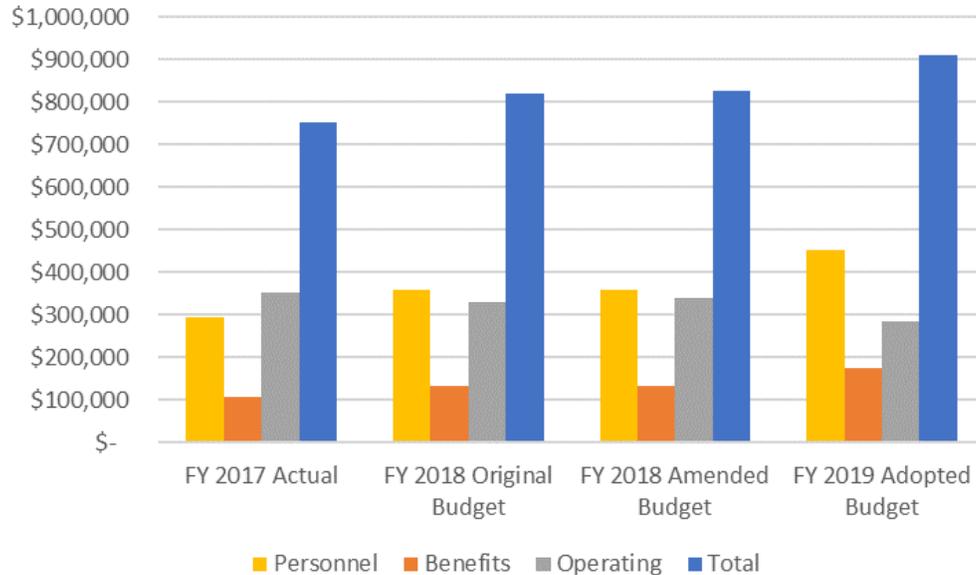
Purchase of electronic plan review software

Travel and training funding to maintain staff professional certifications

Summer intern to assist with special projects

Department Expenditures

Category	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Personnel	\$ 293,436	\$ 358,906	\$ 358,906	\$ 451,580
Benefits	107,574	131,161	131,161	173,437
Operating	352,112	329,290	337,656	284,905
Total	\$ 753,122	\$ 819,357	\$ 827,723	\$ 909,922



Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Building Official moved from contractor to city employee

Inspectors and plan reviewer will be 1099 employees

Mandate to update comprehensive plan

Update of historic resources survey (20 years old)

Boundary Junior streetscape test run

New staff and newly licensed staff require continuing education





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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

Received South Carolina State Accreditation

Officers assigned to staff Downtown and Lady's Island

Lowered Part 1 Crime Rate through use of DDACTS and Predictive Modeling (52% crime reduction in "Hot Spots", our goal was 10%)

Acquired full equipment and training for Active Shooter situations

Answered 89,292 Calls for Service

Performance Measurements to Track Recent Accomplishments

Statistical records

Part 1 Crimes

DDACTS "Hot Spots"

Reduction in Collisions

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

We were able to meet all goals with the Budget provided

Significant improvement in Evidence Processing and disposal efficiency

With vehicle upgrades there was less vehicle maintenance needed

Staffing (issues not related to Budget)

Current Performance Initiatives

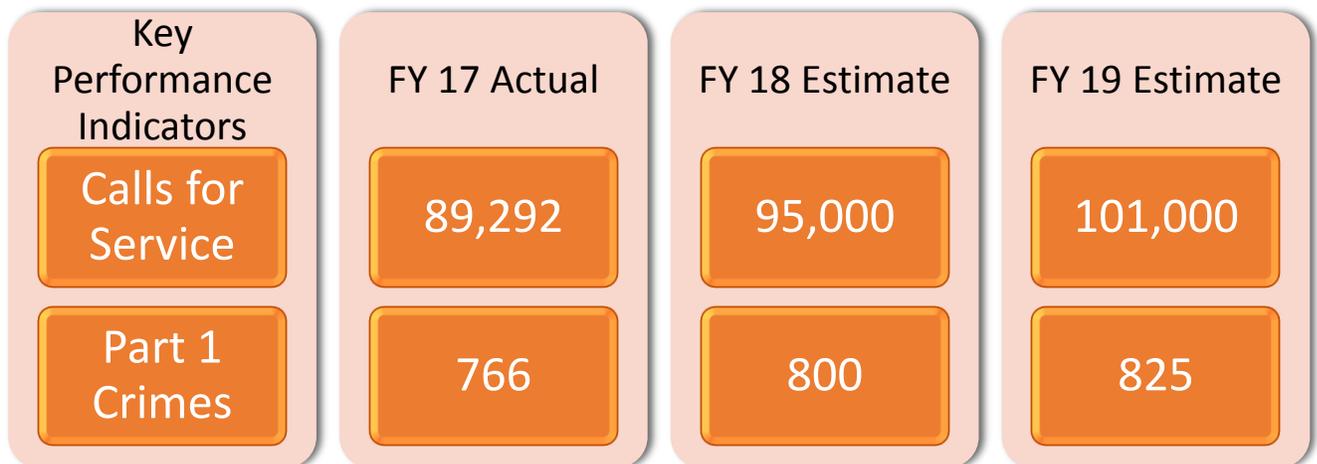
Neighborhood Outreach Connection

United Community Task Force

Property Managers coordination and information sharing

Numerous Neighborhood Association meetings

Active Shooter Awareness training (City employees, Schools, and Church)



Key Goals and New Initiatives for Fiscal Year 2019

Applying for Community Policing Grant to address Quality of Life issues (drugs, burglaries, gangs, and shots fired)

Establish a larger presence in the Downtown area

License Plate Readers

Enhance Social Media Outreach/Cyber Crime Prevention

Customer Service Initiatives

Continued Citizen Surveys

Expanded Social Media Outreach

Neighborhood Outreach Connection

United Community Task Force

Online Training Program

Coordinate with USCB expansion

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

License Plate Readers, three at \$20,000 each

Anti-Theft devices for all patrol vehicles, fifty-five at \$156 each

Ballistic Shields (replacement of expired shields), three at \$2,665 each

Total Capital Request \$76,575

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
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Department Summary

Police	4,819,792	\$ 5,171,592	\$ 5,173,601	\$ 4,041,005
School Resource Officers	311,989	270,694	270,694	281,501
School Crossing Guards	26,967	25,488	25,488	27,376
Victim Advocate	72,335	78,253	78,253	83,503

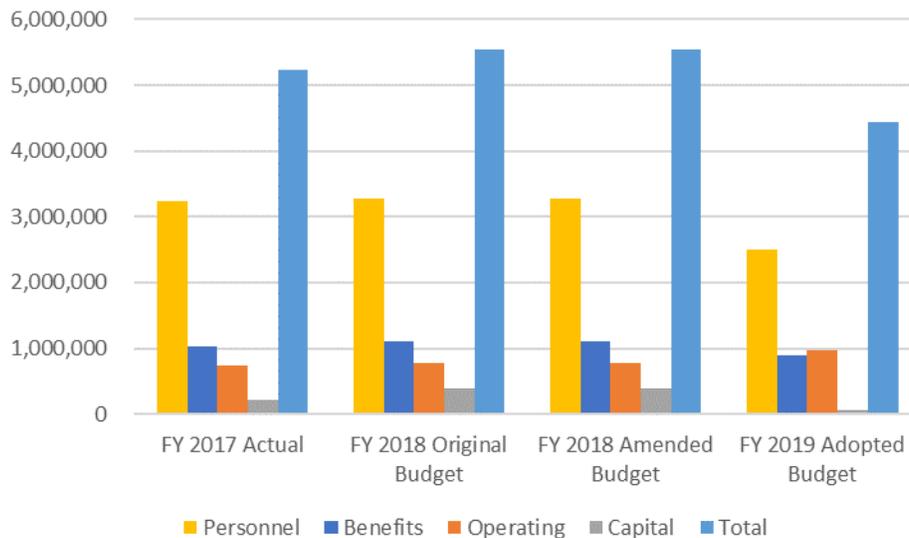
Total \$5,231,083 \$ 5,546,027 \$ 5,548,036 \$ 4,433,385

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
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Category

Personnel	3,242,984	3,267,773	3,267,773	\$ 2,500,718
Benefits	1,032,014	1,109,415	1,109,415	898,928
Operating	742,474	777,839	779,848	977,164
Capital	213,611	391,000	391,000	56,575

Total \$5,231,083 \$ 5,546,027 \$ 5,548,036 \$ 4,433,385



**Category and Reason
for any Major Increases
in Fiscal Year 2019
Budget**

Personnel- benefits have increased due to retirement costs

Tort Liability increase of \$12,000+

Vehicle Insurance increase of \$8,500





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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

Rescue of 3 fire victims, ALIVE

Station 4 is online, under construction (SAFER Grant)

2,695 Calls for service in calendar year 2017 with 1,021 in calendar year 2018 projected to be 3,540 by year end

Education and Prevention

Year 2 of Red Cross Smoke Det. Partnership (1500 installations + to date) PUSH PROGRAM

187 Pub Ed Events (30%) 7788 Children and Adults Contacted (30%)

Fire Marshal/ Codes Enforcement

4,155 Fire Inspection and Code Enforcement activities in calendar year 2017

Performance Measurements to Track Recent Accomplishments

Zero civilian fire injuries

9.8 individual contacts per man hour of public education

772 Marshal/Enforcement Zero citations issued
corrections completed

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

Station 4 Construction

Staffing

Training/Certification

Reserve FF Sustainability

Recruiting Drives

Sustaining Diversity

Career OT Staffing Supplanting

Unscheduled OT Staffing with PT FF's versus FTE's at 1.5x's Rate

Key Performance Indicators	FY 17 Actual	FY 18 Estimate	FY 19 Estimate
Call Volume	2,695	3,540	3,830
Public Education Contacts	7,788	8,250	8,500
Enforcement Activities	4,155	4,200	4,300

Key Goals and New Initiatives for Fiscal Year 2019

Fire Station Construction Project Management (Strategic Goals 1,2,6)

Fire Service Impact Fee to Address Long Range Capital Needs (Strategic Goal 2)

Integrating decentralized department PIO duties with City COM Plan (Strategic Goal 3)

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

Finalize FY '18-'19 capital plan

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

Community Risk Reduction

ISO Class 1

Code Enforcement/Inspection/Plan Review

Partnerships with Red Cross/Beaufort County Communications/BJWSA/Emergency Services Agencies

"Provide empathy, understanding, and kindness to everyone we meet."

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

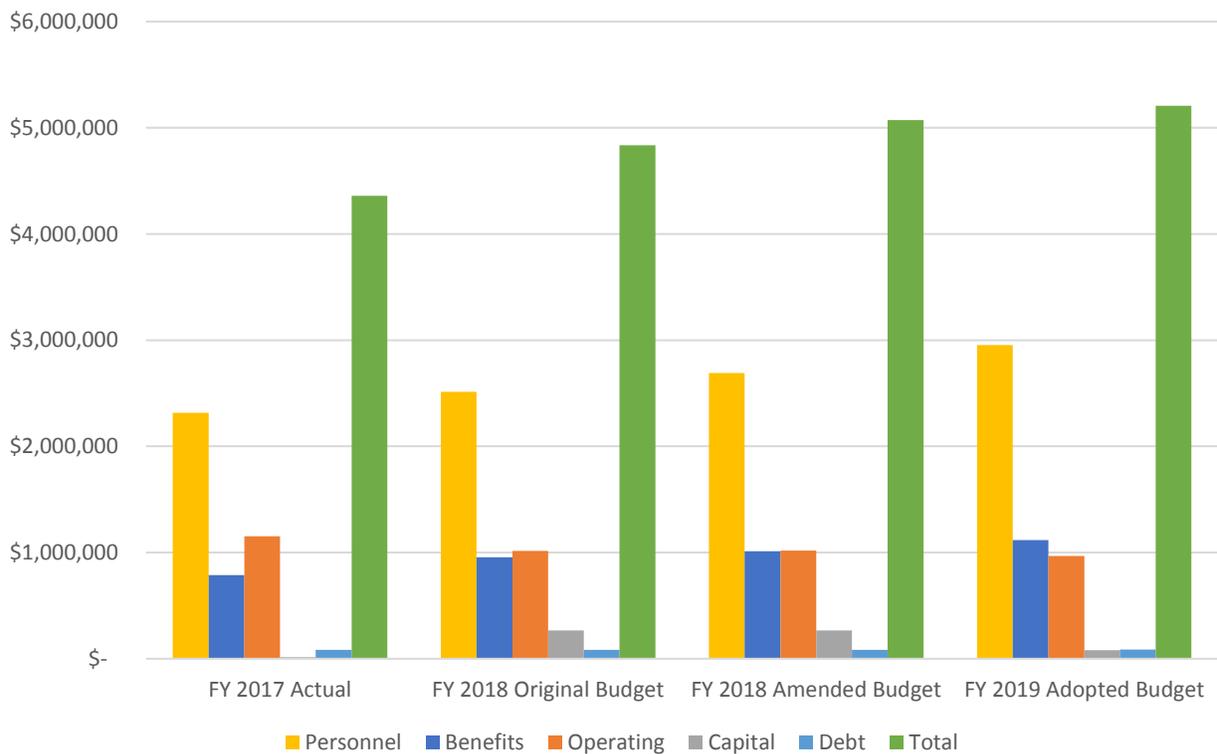
Personnel/Benefits increment to realize full FY of new Fire Station (Offset by \$660,108 estimated reimbursement from SAFER GRANT)

Maintain Operational Budget Request (Flat from FY '18) to support Standardize Emergency Service Delivery on PR Island

Capital Request supporting service delivery (\$102,000)

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Category				
Personnel	\$2,316,945	\$ 2,512,862	\$ 2,690,195	\$ 2,953,389
Benefits	789,201	955,810	1,012,494	1,117,072
Operating	1,153,978	1,016,373	1,019,810	968,319
Capital	15,889	266,952	266,952	82,000
Debt	83,616	83,617	83,617	87,397
Total	<u>\$4,359,629</u>	<u>\$ 4,835,614</u>	<u>\$ 5,073,068</u>	<u>\$ 5,208,177</u>



Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Personnel; \$444,517 (15 FF's for Station 4 and general increase)

Benefits; \$162,256 (15 FF's for Station 4 and State Retirement Employer Contribution Rate Increase across the board of 1%)

\$606,773 increase for entire department staff, is off set by projected reimbursement from SAFER Grant.

Overall budget request is coming in under the projections provided going into the new fire station project.





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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 while focusing on long term solutions and impacts to the public. PWD's portfolio includes roads, drainage, parks, facilities, traffic management and coordinates all projects and services through staff synchronization.

Recent Performance Accomplishments

Leadership Training/Seminars (Led to a more nimble organization)

Launched a new Public Works Facebook page to highlight the department's activities & accomplishment. (Fewer complaints & better outreach). Also tracked 2100 trash related complaints.

Implemented SOP of PWD Purchasing Policy to support 2000 requests (Accelerated responsiveness)

Assisted with Emergency Preparedness & FEMA documentation (Removed 800 tons of debris & provided documentation supporting reimbursement).

Instituted an aggressive preventative maintenance program that reduced fuel costs & equipment down times, & upgraded equipment; all factors that increased responsiveness.

Successful Munis Permits integration with the plan review by the City Engineer (Streamlined processes between PWD & Planning resulting in greater responsiveness)

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

Coordinated with SCDOT to install 2 mast arms (Craven & Carteret and Boundary & Bladen)

Leveraging in house talent to repair 30 potholes, 7 sinkholes, 14 new parking spaces & 500 linear feet of sidewalks at a significant cost savings to the City while providing greater responsiveness to the Citizens.

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

Conducted significant major work in WFP

Recent Performance Accomplishments (Continued)

Major work at Southside Park

Work performed at Pigeon Point, Mossy Oaks, Christiansen & 25 other parks.

Utilized US Marine volunteers several times to assist with Parks Division special projects

Supervised repairs to the Carnegie building due to hurricane damage.

Selected upgrades to 500 Carteret including HVAC, drop ceilings, selected demolition & lighting. SP+ relocated & created devoted office space.

Performed repairs to the Water Front & the Marina Store

Daily monitoring JCI enabled METASIS HVAC controls software that facilitates enhanced energy savings.

200 other various repairs to the City's inventory of 9 buildings

Using in house talent, completed 3 drainage improvement projects at a significant cost savings to the City

Performed pond maintenance (Water's Edge, Battery Shores, Twin Lakes & The Point Pond) & pipe cleaning resulting in a decreased potential of flooding. Additionally, fewer complaints received especially during heavy rain events.

Conducted 29 maintenance & drainage easement clearing projects.

Project Lead on 9 challenged drainage areas within the City with Mossy Oaks in the forefront.

Performance Measurements to Track Recent Accomplishments

Several certificates received by staff attending training/seminar's.

Certified Erosion Protection & Sediment Control Inspectors, Water Backflow Testers & Traffic Control cabinet maintenance.

Reduce drainage complaints FYTD by being proactive: 25 (70 in 2017)

Reduce the number of tree issues/complaints FYTD by being proactive: 30 (49 in 2017)

Reduce city owned & SCDOT documented complaints by being proactive & opening a constructive dialog with SCDOT: 31 (50+ in 2017)

Workman Compensation personnel claims in 2018: 0 (Safety saves money!)

PW personnel turnover in 2018: 0 (Development of new staff costs money!)

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Due to a task to resource shortfall & looking through the prism of the existing budget, many routine tasks were not conducted at an optimal level of frequency.

Numerous weather events reset the PWD priorities.

Full replacement of WFP furniture was deferred.

A work order system was not implemented (technical expertise).

Renovation of the PWD complex has been deferred.

Current Performance Initiatives

Promote Strategic Plan Goals (2, 3, & 4)

Support the 9 challenged drainage areas not including Azalea, Twin Lakes & Somerall.

Support Phase II of the JCI energy program.

Complete Boundary Street, Pickpocket, Greenlawn & evaluate Allison Road.

Provide additional parking at Southside Park.

Contribute to the CRS data collection to improve the City's metrics.

Complete the trash enclosure in Water Front Park.

Key Performance Indicators	FY 17 Actual	FY 18 Estimate	FY 19 Estimate
Plan Review	49	101	104
Site Inspections Commercial	7	8	10
SWIC	12	12	12
Stormwater Board	12	12	12
Solid Waste Board	6	6	6
APWA	2	2	2
SESA	2	2	2
CTC	2	2	2
SCASM	6	6	6
Encroachment Permit Review	4	4	4
Neighborhood Meeting	10	6	8
Synchronization Meeting	11	11	12
	2	4	6

Key Goals and New Initiatives for Fiscal Year 2019

- Contribute to the CRS data collection to improve the City's metrics.
 - Complete the trash enclosure in Water Front Park.
 - Renovate the PWD complex.
 - Liquidate excess assets.
 - Build out record storage space in City Hall.
 - Review PWD associated renewal maintenance contracts.
-

Customer Service Initiatives

- Answer all emails, phone calls, text messages within one business day or earlier.
 - Continue to publish updates to PW Facebook page of anticipated activities, projects & historical achievements.
 - Continue leadership & supervisory training in order to understand how to meet resident, management, & political leadership's expectation.
 - Implement an effective work order system that articulates due dates to stakeholders.
-

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

- Based on a task to resource analysis, it was determined that a deficit of 12,888 man hours currently exists. This equates to 6 FTE's.
 - Based on operational flexibility & versatility, our human capital will be shifted to suit immediate requirements.
 - An additional 3 full time personnel are requested to address this deficit.
-

Department Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
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Department Summary

Public Works Administration	746,721	\$ 851,487	\$ 854,510	\$ 417,354
Streets & Traffic	786,212	759,634	760,434	906,333
Facilities Maintenance	1,877,120	592,494	598,125	557,424
Solid Waste	726,697	724,030	724,030	736,067

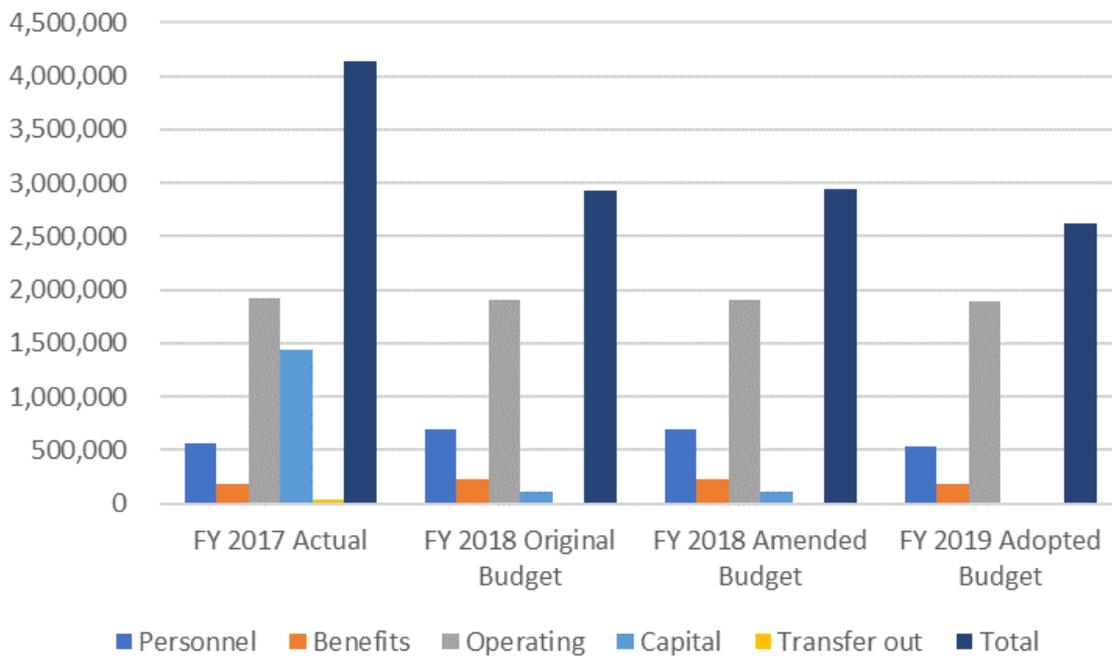
Total	<u>\$4,136,750</u>	<u>\$ 2,927,645</u>	<u>\$ 2,937,099</u>	<u>\$ 2,617,178</u>
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	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
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Category

Personnel	558,062	689,071	689,071	532,679
Benefits	177,889	226,928	226,928	183,154
Operating	1,916,118	1,898,546	1,908,000	1,894,345
Capital	1,441,129	113,100	113,100	7,000
Transfer out	43,552	-	-	-

Total	<u>\$4,136,750</u>	<u>\$ 2,927,645</u>	<u>\$ 2,937,099</u>	<u>\$ 2,617,178</u>
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Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Request for additional personnel (3 FTE).

Task Resource Analysis completed demonstrating a deficit

7 Additional Streets

Additional median maintenance & street sweeping (6.5 miles)

Additional building – Fire Station 4



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Parks and Tourism Fund

Mission Statement

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



Recent Performance Accomplishments

Attended first ICMA Annual Conference for leadership development.

Oversaw park improvements after Hurricane Irma.

Completed the High Speed WiFi in Waterfront Park.

Completed the Downtown Strategic Visioning Study.

Revamped Free Holiday Parking program.

Re-striped Parking Lots.

Upgraded Pay Stations in Parking Lots & Purchased 51 refurbished meters to replace the old POM meters.

Moved Park Beaufort & TWEAC to 500 Carteret Street.

Purchased a pump out boat with grant funds available through the Clean Vessel Act.

Purchased new stationary pump out system with grant funds through the Clean Vessel Act.

Assisted with the development and formation of the Downtown Beaufort Merchants Association & First Friday events.

Contracted with Preservation Architects to complete assessment of windows, courtyard walls & a concept for additional restrooms at the Arsenal installed.

Assisted with the installation of compactor and trash enclosure in Marina Parking Lot.

Moved Downtown Operations office location to 500 Carteret Street.

Assisted during the construction of Day Dock at the east end of the Waterfront Park.

Developed a plan to add an additional location for a trash compactor on the east side (Library Lot) of the Core Commercial District.

Performance Measurements to Track Recent Accomplishments

Merchants, residents and stakeholders responding positively to presence of Director and improvements in the Core area.

First successful street closure event for Merchants Association's First Friday Spring Fling event in April.

Holiday Parking program received positive reviews from patrons and merchants.

Complainants are responding positively to resolution of issues.

Recent Goals Unable to Achieve Due to Budget or Staffing Constraints

Installation of seat wall delayed due to change of priorities and expenditures required to repair damages from Hurricane Irma.

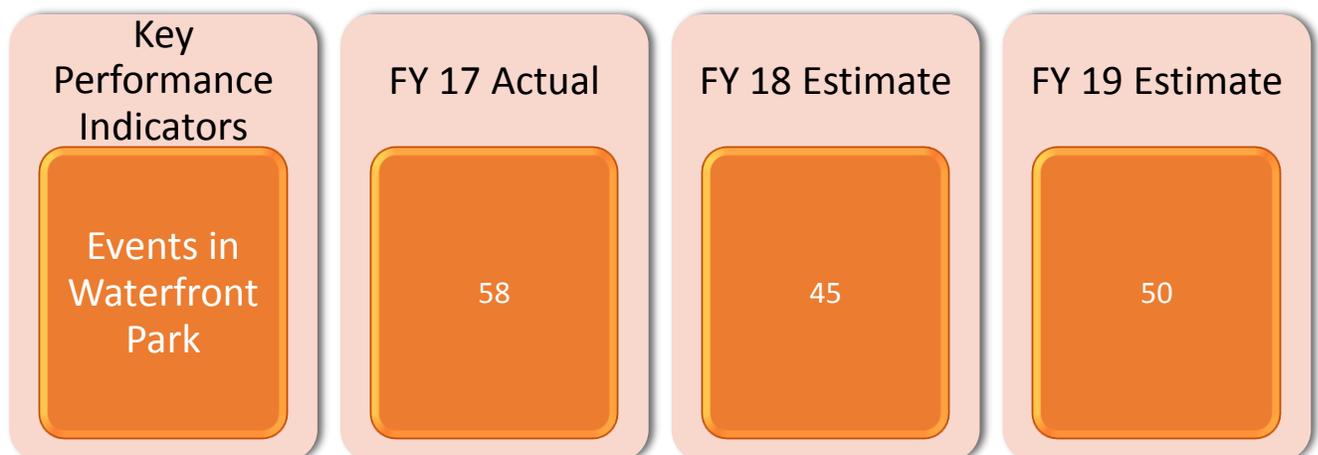
Current Performance Initiatives

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.

Ensure contracted services provided to stakeholders meet expectations and are in compliance.

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

Develop a transition plan for the Marina operations after the end of current contract.



Key Goals and New Initiatives for Fiscal Year 2019

Implement a plan to transfer management for the Marina operations at the beginning of Fiscal Year 2020. **(Strategic Goal #4)**

Develop an aesthetic and safety improvement plan for the Waterfront Park. **(Strategic Goal #4)**

Increase parking by identifying remote lots to acquire or lease. **(Strategic Goal #4)**

Complete roof repairs, window restoration and construction of additional restrooms at Arsenal. **(Strategic Goal #2)**

Begin focused management of Downtown economic development and marketing. **(Strategic Goal #2)**

Install trash compactor at Library for businesses on east side of the Core to utilize. **(Strategic Goal #2)**

Customer Service Initiatives

Address complaints by visiting area of concern and interviewing the complainants in order to fully understand and resolve the issues.

Create easy to understand event guidelines policies for events to streamline the process.

Coordinate Downtown Beaufort Merchants Association, Cultural District and Hospitality Association activities.

Oversee the expansion and marketing of Core Commercial District.

Coordinate activities and community events previously under Main Street's purview.

Budget Requests Needed to Help Achieve Fiscal Year 2019 Goals and Initiatives

Hiring of Downtown Development Coordinator beginning January 2019.

Support of former Main Street activities.

Recommendation from strategic visioning study.

Installation of Trash Compactor at Library.

Fund a portion of shuttle operations to transport parkers from remote parking locations.

Safety and aesthetic improvements in Waterfront Park.

Fund Revenues and Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Revenue Category				
Other Taxes	\$ 2,729,335	\$ 2,715,000	\$ 2,715,000	\$ 2,916,159
Charges for Services	527,332	478,000	478,000	588,826
Intergovernmental	82,883	100,000	100,000	-
Total Revenues	\$ 3,339,550	\$ 3,293,000	\$ 3,293,000	\$ 3,504,985

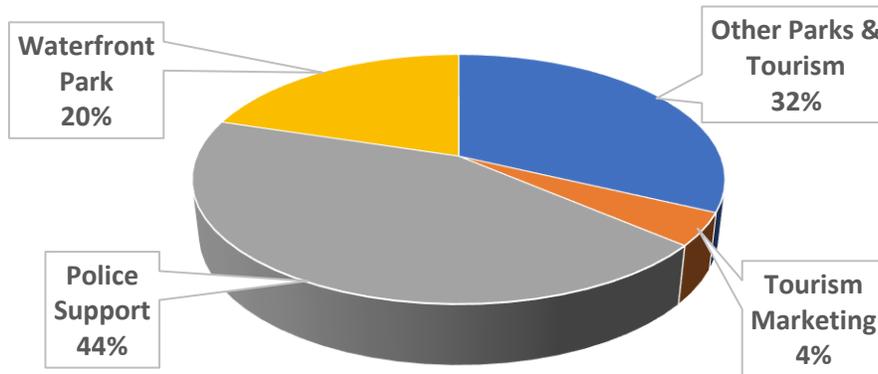
Expenditure Category	FY 2019 Adopted Budget		FY 2019 Adopted Budget
Other Parks & Tourism		Waterfront Park	
Personnel	\$ 369,668	Operating	\$ 419,335
Benefits	148,361	Debt	309,109
Operating	393,061	Capital	56,800
Capital	25,000	Total Waterfront Park	\$ 785,244
Total Other Parks & Tourism	\$ 936,090		

Police Support		Other Downtown Operations	
Personnel	\$ 930,526	Personnel	\$ 129,528
Benefits	337,262	Benefits	44,782
Total Police Support	\$ 1,267,788	Operating	109,894
		Capital	28,000
		Total Other Downtown Operations	\$ 312,204

Tourism Marketing		Parking	
Operating	\$ 123,585	Operating	\$ 24,100
		Capital	25,000
		Total Parking	\$ 49,100

Marina		Total Parks and Tourism Fund Expenditures	
Operating	\$ 30,974		\$ 3,504,985

Expenditures Supported by Local Hospitality and Local Accommodations Taxes



Category and Reason for any Major Increases in Fiscal Year 2019 Budget

Salaries & Benefits to hire a Downtown Development Coordinator for six months.

Operating Costs for Waterfront Park includes:

Additional security cameras as part of a phase 2 for the project. (\$15,000)

Improvements to brick work & palm tree bed at Amphitheater. (\$30,000)

Replacement of Fence on West side of Marina Parking Lot at Marsh (\$15,000)

Replacement of damaged plants from Hurricane Irma (\$12,000)

Operating Costs for Waterfront Park includes:

Replacement of aging swings (\$5,000)

Replacement and refurbish trash receptacles (\$10,000)

Waterfront Park WiFi internet and network support. (\$8,600)

Operating Costs for Downtown Operations include:

Site assessment for Carnegie Library by Preservation Architects. (\$20,000)

Library compactor installation (\$15,000)

Refurbishing & purchase of new trash receptacles in the Core (\$7,000)

Christmas lights (\$15,000)

Cultural District Initiatives (Art Walk, information sign, etc.) (\$5,500)

Upfit of 500 Carteret Street Offices to prepare for leasing (\$10,000)

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.

Fund Revenues and Expenditures

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Revenues				
Stormwater Utility Fees	\$ 841,600	\$ 855,000	\$ 855,000	\$ 1,065,306
Expenditures				
Personnel	133,449	109,284	109,284	291,953
Benefits	43,067	36,345	36,345	128,490
Operating	256,715	500,150	500,150	98,443
Capital	14,516	55,000	55,000	-
Debt	-	-	-	546,420
Transfers Out	448,696	129,198	129,198	-
Total Expenditures	\$ 896,443	\$ 829,977	\$ 829,977	\$ 1,065,306

Fiscal Year 2019 Budget Highlights

Adopted Stormwater Utility Fee includes an increase in the Stormwater fee from \$105 to \$135 in anticipation of the issuance of approximately \$5M in Revenue Bonds during the 1st Quarter of FY 2019.

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.

The decrease in Operations expenditures is based on anticipated Stormwater activity during FY 2019 being funded by the Stormwater Revenue Bonds. Expenditures for operations and capital will be reported at the time the Stormwater Revenues bonds are used.

The increase in Debt is based on the anticipated debt service on the Stormwater Revenue Bonds and a 20% contingency for emergencies.

The issuance of the Stormwater Utility Revenue Bond is contingent upon successful passage of a Revenue Bond Ordinance to be presented to Council during the 1st Quarter of FY 2019.



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 2017 Actual	FY 2018 Original Budget	FY 2018 Amended Budget	FY 2019 Adopted Budget
Revenues				
State Accommodation Tax	\$ 499,374	\$ 496,776	\$ 496,776	\$ 549,311
Total Revenues	\$ 499,374	\$ 496,776	\$ 496,776	\$ 549,311
Expenditures				
Personnel	\$ 74,821	\$ 76,552	\$ 76,552	\$ 35,704
Benefits	34,911	21,132	21,132	16,376
Operating	444,288	350,503	350,503	446,015
Transfers Out	48,719	48,589	48,589	51,216
Total Expenditures	\$ 602,739	\$ 496,776	\$ 496,776	\$ 549,311



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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 down-turns 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 anticipated Stormwater Revenue Bond issuance during 1st Quarter 2019, no new Stormwater Projects are included within the Stormwater Fund until engineering analysis is completed and funding is secured.

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

Recommended FY19 Capital Projects

The City has two active grant applications that impact City Infrastructure. These two projects are included in the active Capital Projects list, but funding is pending upon award of the following grants.

A Community Development Block Grant to address the Stormwater Infrastructure needs related to the Mossy Oaks Basin 2 area.

If the grant is awarded, the Stormwater Revenue bonds would be used toward the match required for the grant.

A Land and Water Conservation Fund Grant for infrastructure renovations at Waterfront Park (Relieving Platform) and other Park needs.

If this grant is awarded, the matching funds will come from Fund Balance committed for those purposes.

Active Capital Projects for FY 2019 with Funding Sources

Description	Budget		Active Capital Project and Fully Funded
	Estimated Original Budget	Modified Budget	
City Facilities			
Arsenal Windows and Bathrooms	\$ 200,000	\$ 220,108	Yes
Arsenal Roof Replacement	56,650	56,650	Yes
Stormwater			
Azalea Drive Drainage	83,000	139,750	Yes
Cottage Farm Drainage	29,550	30,000	Yes
Mossy Oaks Basin	1,709,255	1,709,255	Awaiting
Streets			
Shein Loop-Commerce Park	574,023	574,023	Partial
Greenlawn Drive	1,350,000	1,700,000	Yes
Marina & Parks			
Washington Street Park Bathrooms	100,000	137,715	Yes
Waterfront Park Foundation and Playground Equipment	620,000	1,000,000	Awaiting
	<u>\$ 4,722,478</u>	<u>\$ 5,567,501</u>	

Description	Funding						
	Prior Year Stormwater Funding	Grant Funding	Prior Year General Fund	Bond Funds	Committed Fund Balance	TIF II	Unfunded
City Facilities							
Arsenal Windows and Bathrooms	\$ -	\$ 100,000	\$ 120,108	\$ -	\$ -	\$ -	\$ -
Arsenal Roof Replacement	-	28,325	28,325	-	-	-	-
Stormwater							
Azalea Drive Drainage	139,750	-	-	-	-	-	-
Cottage Farm Drainage	30,000	-	-	-	-	-	-
Mossy Oaks Basin	-	750,000	-	959,255	-	-	-
Streets							
Shein Loop-Commerce Park	-	370,000	-	-	-	-	204,023
Greenlawn Drive	-	500,000	-	-	-	1,200,000	-
Marina & Parks							
Washington Street Park Bathrooms	-	50,000	87,715	-	-	-	-
Waterfront Park Foundation and Playground Equipment	-	500,000	-	-	500,000	-	-
	<u>\$ 169,750</u>	<u>\$ 2,298,325</u>	<u>\$ 236,148</u>	<u>\$ 959,255</u>	<u>\$ 500,000</u>	<u>\$ 1,200,000</u>	<u>\$ 204,023</u>

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 the accounted for in another fund. This is considered the City’s chief operating fund.

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

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

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

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

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

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

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

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

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

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



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