

FY2008-09 Budget



Public Hearing

S.C. Code Sec. 6-1-80 requires:

Notice of a Public Hearing on the City's operating budget must be published

- in at least one newspaper of general circulation in the area
- not less than fifteen days in advance of the public hearing
- minimum of two columns wide with a bold headline
- including contents as described in 6-1-80 (B).

The City published the required notice in the Sun News on Monday, April 28, 2008.

First Reading was given on May 27, 2008.

2008-09 Recommended Budget vs. 2007-08 Revised Estimate

| | <u>FY2007-08 Revised Estimate</u> | <u>FY2008-09 Budget</u> | <u>Percent Change</u> |
|---|---------------------------------------|-----------------------------|---------------------------|
| Operating Budget: | | | |
| Governmental Operations | 102,917,368 | 105,701,857 | 2.7% |
| Enterprise Operations | <u>32,552,633</u> | <u>34,557,860</u> | 6.2% |
| Total Operating Budget | <u>135,470,001</u> | <u>140,259,717</u> | 3.5% |
| | | | |
| New Capital Project Authorizations | <u>18,952,335</u> | <u>35,272,484</u> | 86.1% |
| | | | |
| Reconciling Items | | | |
| Appropriations per bond ordinances | 1,624,470 | 1,624,470 | 0.0% |
| Capital Investments (Enterprise) | <u>12,270,004</u> | <u>5,830,048</u> | -52.5% |
| Total Reconciling Items | <u>13,894,474</u> | <u>7,454,518</u> | -46.3% |
| | | | |
| Less: Interfund Transfers | (26,775,609) | (22,147,863) | -17.3% |
| | | | |
| Grant Total Municipal Budget | <u>141,541,201</u> | <u>160,838,856</u> | 13.6% |

The statutory public hearing notice covers governmental operations as the term is used in state code, which excludes debt service from operations. Thus the governmental operations in the public hearing notice is smaller than the amounts shown here.

Summary of the Recommended FY2008-09 Budget

- ◆ Total adopted budget is 159,214,386. (Total of \$160.8 million, including \$1.6 million of Debt Service on Market Common appropriated to Capitalized Interest Account in Bond Ordinance)
- ◆ Operations: \$118,278,247
 - Includes Governmental operations of \$84.9 million and Enterprise operations of \$33.3 million
 - Total amount of Debt Service in Operating Budgets is \$15.65 million, or 11.1% of total
- ◆ General Capital Projects \$14,255,266
- ◆ DRC Capital Projects \$21,017,218 (added at first reading)
- ◆ Enterprise Capital Projects \$5,830,048
- ◆ This compares with a beginning 2008 budget of \$132.4 million, and represents an increase of 4.75%.

FY2008-09 Budget Highlights

Revenues

- ◆ The budget includes a tax increase of 3 mills to fund the remarketing of May to eliminate the motorcycle rallies
- ◆ Property tax growth is still strong >7% based upon recent new construction; no more reductions in vehicle tax assessment ratio
- ◆ Business License revenues will show the effects of reduced construction activity; strength in other sectors should offset it and keep growth near the long-term trend
- ◆ Business License growth last 10 years has averaged about 10.9%, with a range of 1.3% (2003) to 17.7% (2005)



FY2008-09 Budget Highlights

Expenditures:

- ◆ Hotel continues to improve, should pay all Series 2001 debt service and over \$2 million toward the \$2.4 million Series 2004 debt service
- ◆ Compensation:
 - Budget includes funding for 3.5% general increase in compensation plan to be effective at end of first quarter of fiscal year
 - Merit plan with 3% maximum performance-based adjustment is continued



FY2008-09 Budget Highlights



◆ Insurance

- Health insurance premium payments moderate, long-term actuarial impact of last year's change to United Health Care est. at 21% reduction in trend
- City will begin to implement GASB-45 with some structural changes proposed to the post-employment health insurance benefit as well as the standard employee coverage (first-year's net impact: ~ \$600,000)
- Expense for other lines of insurance is flat. Savings need to be used to fund up claims reserves. '09 Budget funds self-insurance plan at 60% tolerance level as opposed to TPA's 80% tolerance level.



FY2008-09 Budget Highlights

Operating costs of capital improvements and attendant growth will affect this and future budgets. For 2008-09:

- ◆ Crabtree staffing (\$42,621) and addition of 2 positions to staff Pepper Geddings and Canal Street Recreation Centers (\$86,000)
- ◆ Hwy. 17 By-Pass Maintenance (\$279,247)
- ◆ Police Cadet program (\$251,696), Detention Officers (\$168,697), Telecommunicators (\$125,755)
- ◆ Addition of 15 fire suppression personnel at an ultimate annual cost of over \$500,000 is recommended for funding of \$111,577 this year to match a federal grant. The match increases each year until the City fully funds the positions.
- ◆ Storm Water: maintenance of ditch and pond banks (\$135,779)



FY2008-09 Budget Highlights

Indirectly related to growth:

- ◆ Additional Court Security (\$25,241)
- ◆ Customer Service Representative in Revenue Division (\$39,089)
- ◆ Pet Cemetery (\$5,000)
- ◆ Convention Center Expansion Planning Effort (\$25,000)

Productivity enhancements include a Safety and Loss Coordinator at a net savings of over \$60,000 and an On-Site Health Care program (\$26,785) that will help contain health care costs and reduce lost time

Capital Improvements

- ◆ General Capital Improvements recommended for 2008-09 include:
 - Neighborhood Drainage Projects (\$650,000 in '09; \$1,250,000 in 2010): Haskell Circle & Sunset Trail, 44th Av N, Sancindy Lane
 - Performing Arts Theatre (\$7,500,000)
 - Meyers Avenue Relocation (City's share of funding not covered in MID) (\$873,607)
 - Walkover renovations (\$250,000)
 - Transportation improvements including 38th Avenue Widening (\$746,000) and Seaboard between Stockholder and Hwy 501 (\$220,000)
 - Fire Truck Lease payout/acquisition (\$1,484,266)
 - And over \$900,000 in projects to upgrade facilities used in providing City services and continue installing underground utilities