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**CITY OF BEAUFORT**  
1911 BOUNDARY STREET  
BEAUFORT MUNICIPAL COMPLEX  
BEAUFORT, SOUTH CAROLINA 29902  
(843) 525-7070  
**CITY COUNCIL SPECIAL WORKSESSION AGENDA**  
**April 22, 2025**

**STATEMENT OF MEDIA NOTIFICATION**

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

**SPECIAL WORKSESSION - City Hall, Planning Conference Room, 1st Floor - 5:00 PM**

**Please note, this meeting will be broadcasted via zoom and live streamed on Facebook. You can view the meeting at the City's page; City Beaufort SC**

**I. CALL TO ORDER**

A. Philip Cromer, Mayor

**II. DISCUSSION ITEMS**

A. Fiscal Year 2026 Draft Recommended Budget

**III. ADJOURN**



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**CITY OF BEAUFORT**  
DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

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**TO:** CITY COUNCIL **DATE:** 4/17/2025  
**FROM:** Scott Marshall, City Manager  
**AGENDA ITEM**  
**TITLE:** Fiscal Year 2026 Draft Recommended Budget  
**MEETING**  
**DATE:** 4/22/2025  
**DEPARTMENT:** Finance

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*BACKGROUND INFORMATION:*

The fiscal year 2026 draft recommended budget is presented for discussion. This draft represents a total Fiscal Year 2026 budget of \$73.1 million, which includes \$28.4 million in capital projects funding.

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*PLACED ON AGENDA FOR: Discussion*

**REMARKS:**

Following discussion of the draft recommended budget, staff will adjust the budget as needed prior to public hearing and first reading, which will be on the City Council May 13, 2025 meeting agenda.

The next steps in the FY26 budget process include department budget presentations during City Council Special Work Session on Tuesday, April 29.

**ATTACHMENTS:**

Description	Type	Upload Date
FY 2026 Draft Recommended Budget Presentation	Presentation	4/17/2025

# City of Beaufort, South Carolina



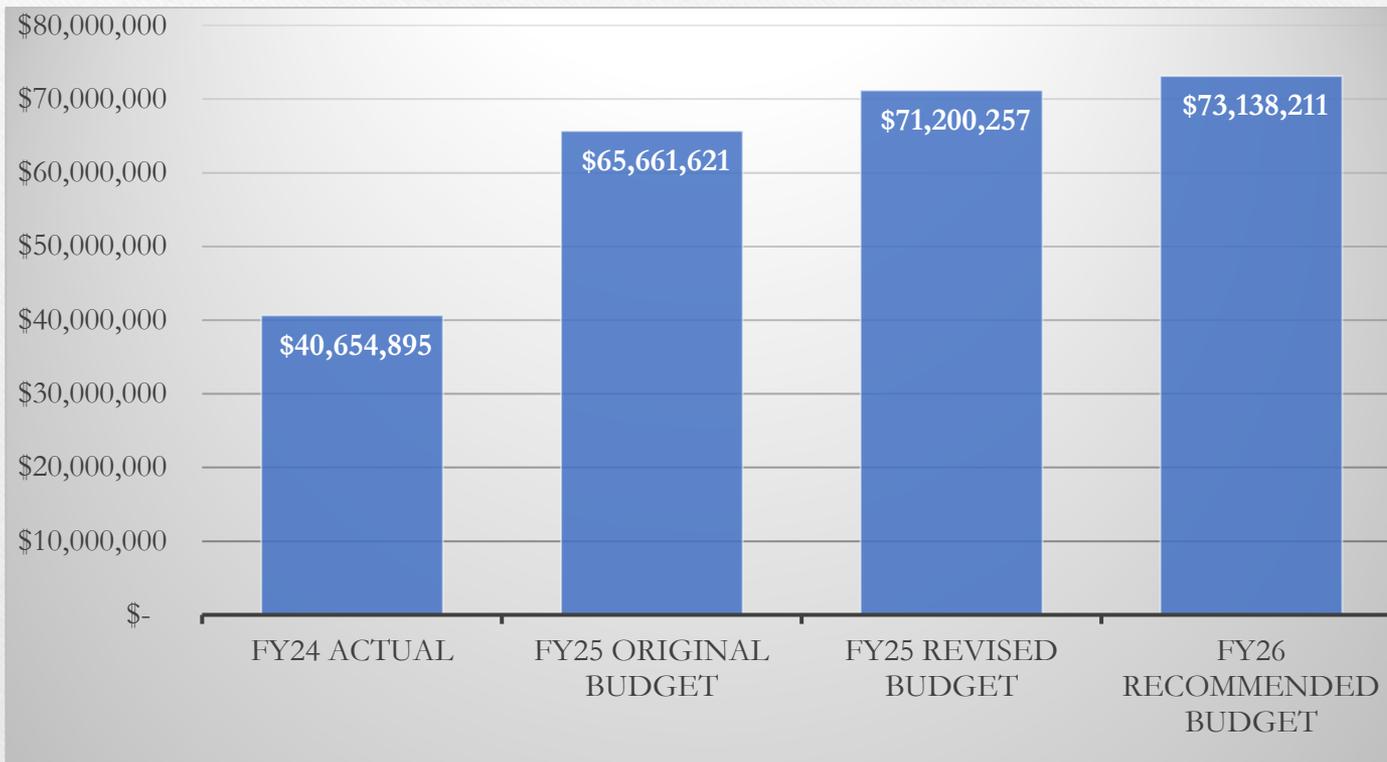
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**FISCAL YEAR 2026  
DRAFT RECOMMENDED BUDGET  
BUDGET WORK SESSION  
APRIL 22, 2025**

# FY26 Draft Recommended Budget

**\$73,138,211**

*\*Includes \$28.4M in Capital Project Fund*



# City Manager Highlights

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- Overall millage rate remains flat at 73.9
- Value of a mill = \$131,885
- Operating expense increases mostly offset by revenue increases
  - \$1,150,000 increase in business license revenue
  - \$370,540 increase in property tax revenue
- Solid Waste contract increase absorbed by millage
- Capital Projects Budget = \$28.4M
- \$100K for Housing Repair Assistance

# City Manager Highlights

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- 3% COLA for City Employees
- Up to 2.5% one-time merit bonus
- Additional funds equal to 2% pay increase budgeted for implementation of compensation study results
- Anticipated 12% increase in health care coverage is absorbed in the budget with no burden to employees

# Strategic Partner Assistance



\$42,000



\$28,139



\$100,000



\$15,000



\$417,500



\$5,000



\$45,000

# What's New for FY26?

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- Improved format for budget presentation
- Two new positions
  - Fire Inspector (FTE transfer from Community Development)
  - Emergency Manager / Risk Manager (New FTE)
- Budgeted for vacation and retirement payouts
- Tag Fee of \$23.50/vehicle to offset ROW maintenance
- Off-duty rate increases for Fire and Police personnel
- \$50K for contingency boat removal / disaster mitigation
- Release of TIF II funds for eligible capital needs
- Unfunded Requirements List

# Next Steps

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April 29

*Department Director presentations in Special Council Work Session*



May 13

*Public Hearing and First Reading of FY26 Recommended Budget*



June 10

*Second and Final Reading of FY26 Recommended Budget*

## Improved FY26 Budget Format Presentation

- Simplified presentation for easier to understand budget.
- Improved format includes transfers in and release of fund balance under revenues.
- Improved format includes transfers out and contribution to fund balance under expenditures.
- For comparison purposes, the FY25 adopted budget is shown on the next slide in the improved budget presentation format that details total revenues and total expenditures of \$65,661,621, which agrees to the City's FY25 approved budget ordinance.

## Consolidated FY 2025 Adopted Budget- As Presented in FY 2025

	State								Total
	General Fund	ARPA Fund	Parks & Tourism Fund	Stormwater Fund	Accommodations Fund	TIF II Fund	Fire Impact Fund	Capital Projects Fund	
Revenues	\$ 25,361,478	\$ 302,306	\$ 5,480,500	\$ 1,368,717	\$ 969,333	\$ 180,000	\$ 105,000	\$ 11,162,332	\$ 44,929,666
Transfers In	70,416	-	-	-	-	-	-	9,787,457	9,857,873
Total Other Financing Sources	70,416	-	-	-	-	-	-	9,787,457	9,857,873
Release of Committed Fund Balance	-	-	-	-	-	-	-	-	-
Release of Fund Balance	213,293	2,693,960	5,927,349	1,310,480	-	29,000	-	700,000	10,874,082
Salaries	10,478,363	100,000	1,908,435	413,681	16,728	-	-	-	12,917,207
Benefits	4,384,300	43,972	846,815	208,751	6,752	-	-	-	5,490,590
Operating	8,299,933	65,000	1,711,049	232,685	875,437	-	-	-	11,184,104
Capital	492,443	143,333	238,933	-	-	109,000	-	21,649,789	22,633,498
Debt	1,990,148	-	969,601	513,600	-	-	63,654	-	3,537,003
Total Expenditures	25,645,187	352,306	5,674,833	1,368,717	898,917	109,000	63,654	21,649,789	\$ 55,762,403
Transfers Out	-	2,643,960	5,733,016	1,310,480	70,416	100,000	-	-	9,857,872
Total Other Financing Uses	-	2,643,960	5,733,016	1,310,480	70,416	100,000	-	-	\$ 9,857,872
Contribution to Fund Balance	-	-	-	-	-	-	41,346	-	41,346
Net (Deficit) Surplus	\$ (0)	\$ 0	\$ -	\$ (0)	\$ (0)	\$ -	\$ 0	\$ -	\$ 0

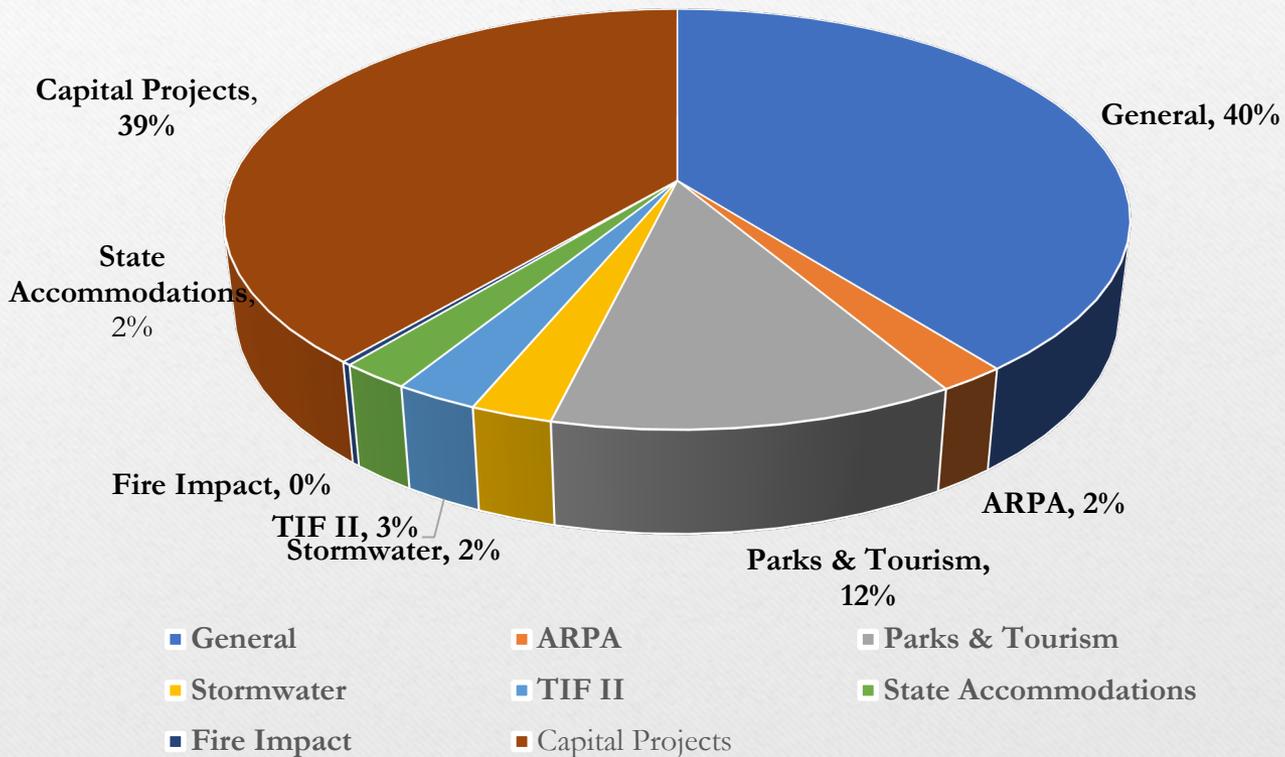
## Consolidated FY 2025 Adopted Budget- Improved Budget Presentation Format

	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Parks &amp; Tourism Fund</u>	<u>Stormwater Fund</u>	<u>State Accommodations Fund</u>	<u>TIF II Fund</u>	<u>Fire Impact Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues</b>									
Revenues	\$ 25,361,479	\$ 302,306	\$ 5,480,500	\$ 1,368,717	\$ 969,333	\$ 180,000	\$ 105,000	\$ 11,162,332	\$ 44,929,667
Transfers In	70,416	-	-	-	-	-	-	9,787,457	9,857,873
Release of Committed Fund Balance-									
Vehicles and Equipment	213,293	-	-	-	-	-	-	-	213,293
Release of Fund Balance	-	2,693,959	5,927,349	1,310,480	-	29,000	-	700,000	10,660,788
<b>Total Revenues</b>	<u>25,645,188</u>	<u>2,996,265</u>	<u>11,407,849</u>	<u>2,679,197</u>	<u>969,333</u>	<u>209,000</u>	<u>105,000</u>	<u>21,649,789</u>	<u>65,661,621</u>
<b>Expenditures</b>									
Salaries	10,478,364	100,000	1,908,435	413,681	16,728	-	-	-	12,917,208
Benefits	4,384,300	43,972	846,815	208,751	6,752	-	-	-	5,490,590
Operating	8,299,933	65,000	1,711,049	232,685	875,437	-	-	-	11,184,104
Capital	492,443	143,333	238,933	-	-	109,000	-	21,649,789	22,633,498
Debt	1,990,148	-	969,601	513,600	-	-	63,654	-	3,537,003
Transfers Out	-	2,643,960	5,733,016	1,310,480	70,416	100,000	-	-	9,857,872
Contribution to Fund Balance	-	-	-	-	-	-	41,346	-	41,346
<b>Total Expenditures</b>	<u>25,645,188</u>	<u>2,996,265</u>	<u>11,407,849</u>	<u>2,679,197</u>	<u>969,333</u>	<u>209,000</u>	<u>105,000</u>	<u>21,649,789</u>	<u>65,661,621</u>
Net (Deficit) Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

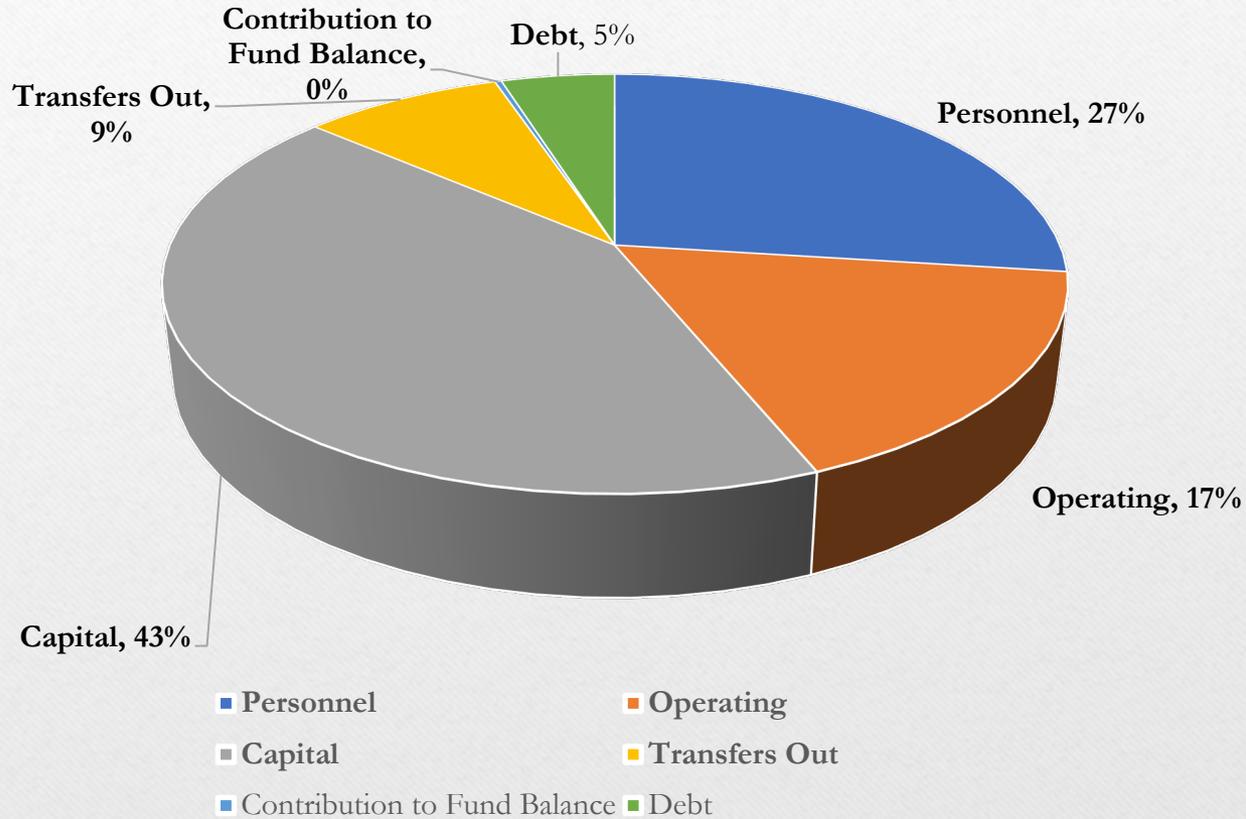
## Consolidated FY 2026 Recommended Budget

	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Parks &amp; Tourism Fund</u>	<u>Stormwater Fund</u>	<u>State Accommodations Fund</u>	<u>TIF II Fund</u>	<u>Fire Impact Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues</b>									
Revenues	\$ 27,070,626	\$ 134,202	\$ 5,512,500	\$ 1,405,000	\$ 946,667	\$ 120,000	\$ 205,000	\$ 21,593,759	\$ 56,987,754
Transfers In	69,584	-	-	-	-	-	-	6,155,712	6,225,296
Issuance of Capital Lease	833,472	-	-	-	-	-	-	-	833,472
Release of Committed Fund Balance- Vehicles and Equipment	406,590	-	-	-	-	-	-	-	406,590
Release of Committed Fund Balance- Redevelopment	375,000	-	-	-	-	-	-	-	375,000
Release of Committed Fund Balance- Capital Projects	-	1,352,827	2,561,185	398,061	368,639	1,100,000	-	-	5,780,712
Release of Fund Balance	153,224	-	831,799	-	224,364	620,000	-	700,000	2,529,387
<b>Total Revenues</b>	<u>28,908,496</u>	<u>1,487,029</u>	<u>8,905,484</u>	<u>1,803,061</u>	<u>1,539,670</u>	<u>1,840,000</u>	<u>205,000</u>	<u>28,449,471</u>	<u>73,138,211</u>
<b>Expenditures</b>									
Salaries	11,201,475	94,500	2,082,992	466,621	18,366	-	-	-	13,863,954
Benefits	4,728,483	39,702	931,980	201,990	7,423	-	-	-	5,909,577
Operating	8,960,060	-	2,052,032	217,490	1,075,658	-	-	-	12,305,239
Capital	1,587,229	-	307,800	-	-	740,000	-	28,449,471	31,084,500
Debt	2,056,248	-	969,496	518,900	-	-	-	-	3,544,645
Transfers Out	375,000	1,352,827	2,561,185	398,061	438,223	1,100,000	-	-	6,225,296
Contribution to Fund Balance	-	-	-	-	-	-	205,000	-	205,000
<b>Total Expenditures</b>	<u>28,908,496</u>	<u>1,487,029</u>	<u>8,905,484</u>	<u>1,803,061</u>	<u>1,539,670</u>	<u>1,840,000</u>	<u>205,000</u>	<u>28,449,471</u>	<u>73,138,211</u>
Net (Deficit) Surplus	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>

# FY 26 Projected Revenue Sources

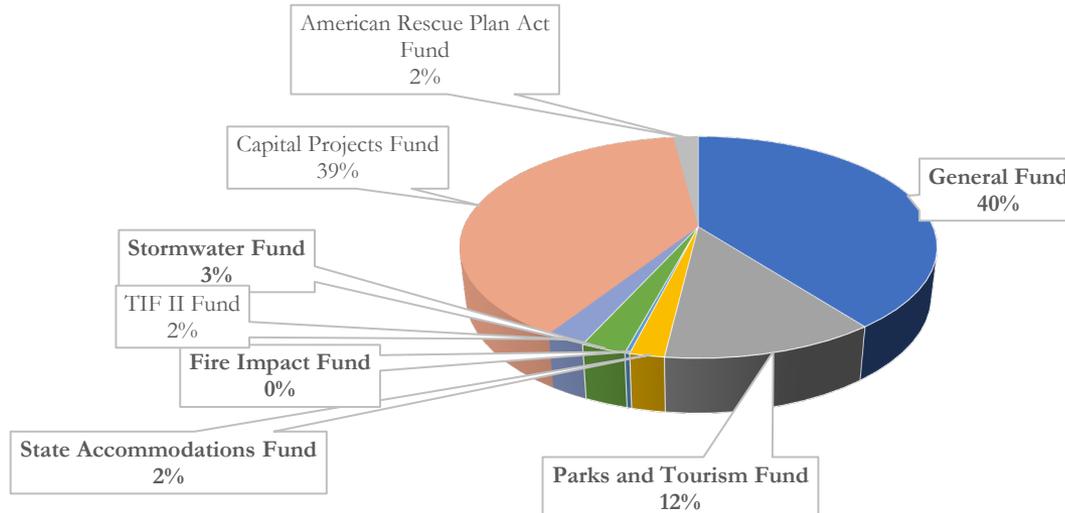


# FY 26 Projected Expenses



## Consolidated Revenue Budget Summary

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>Change from Prior Year Original Budget</u>	<u>% Change</u>
General Fund	\$ 28,980,538	\$ 25,645,187	\$ 25,691,395	\$ 28,908,496	\$ 3,263,309	12.7%
Special Revenue Funds						
Parks and Tourism Fund	12,588,099	11,407,849	11,407,849	8,905,484	(2,502,365)	-21.9%
State Accommodations Fund	1,248,536	969,333	969,333	1,539,670	570,337	58.8%
Fire Impact Fund	86,440	105,000	105,000	205,000	100,000	95.2%
Stormwater Fund	1,383,591	2,679,197	2,679,197	1,803,061	(876,136)	-32.7%
TIF II Fund	185,888	209,000	309,000	1,840,000	1,631,000	527.8%
Capital Projects Fund	3,142,878	21,649,789	23,677,663	28,449,471	6,799,682	28.7%
American Rescue Plan Act Fund	1,740,392	2,996,266	4,231,326	1,487,029	(1,509,237)	-35.7%
	<u>\$ 49,356,364</u>	<u>\$ 65,661,621</u>	<u>\$ 69,070,763</u>	<u>\$ 73,138,211</u>	<u>\$ 7,476,590</u>	<u>10.8%</u>



## FY 2026 Consolidated Revenue Budget Highlights

- The recommended millage rate remains flat at 73.9 mils for General Fund property taxes.
- The City has experienced business growth from a strong economy for an anticipated \$1,150,000 increase in business licenses in the General Fund.
- A new annual tag fee on City vehicles of \$23.50 will generate an estimated \$231,801 in revenues to offset the City's cost on right-of-way maintenance and street sweeping on State owned roads within City limits.
- The remaining amount due on a new fire truck purchase of \$1,115,062 will be financed through a capital lease for \$833,472 and release of committed fund balance for vehicles and equipment of \$281,590.
- The police department off duty rate increases from \$60/HR to \$65/HR and fire department off duty rate increases from \$38/HR to \$50/HR to cover City personnel costs.

# Consolidated Expenditure Budget Summary

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>\$ Change from Prior Year Original Budget</u>	<u>% Change</u>
<b>General Fund</b>						
Salaries	\$ 9,792,715	\$ 10,494,482	\$ 10,494,482	\$ 11,201,475	\$ 706,993	6.74%
Benefits	3,913,554	4,368,181	4,368,181	4,728,483	360,303	8.25%
Operations	9,689,275	8,299,932	8,383,804	8,960,060	660,128	7.95%
Capital	691,987	492,443	674,930	1,587,229	1,094,786	222.32%
Debt	1,922,443	1,990,149	1,990,149	2,056,248	66,099	3.32%
Transfers out	-	-	255,645	375,000	375,000	100.00%
<b>Total General Fund</b>	<b>\$ 26,009,973</b>	<b>\$ 25,645,187</b>	<b>\$ 26,167,190</b>	<b>\$ 28,908,496</b>	<b>\$ 3,263,309</b>	<b>12.47%</b>
<b>Parks and Tourism Fund</b>						
Salaries	\$ 1,729,083	\$ 1,908,436	\$ 1,908,436	\$ 2,082,992	\$ 174,556	9.15%
Benefits	670,377	833,714	833,714	931,980	98,266	11.79%
Operations	1,551,952	1,724,150	1,749,884	2,052,032	327,882	19.02%
Capital	93,910	238,933	238,933	307,800	68,867	28.82%
Debt	401,980	969,601	969,601	969,496	(104)	-0.01%
Transfers out	1,324,644	5,733,016	5,833,016	2,561,185	(3,171,831)	-55.33%
<b>Total Parks and Tourism Fund</b>	<b>\$ 5,771,946</b>	<b>\$ 11,407,849</b>	<b>\$ 11,533,583</b>	<b>\$ 8,905,484</b>	<b>\$ (2,502,365)</b>	<b>-21.70%</b>
<b>Stormwater Fund</b>						
Salaries	\$ 377,097	\$ 413,681	\$ 413,681	\$ 466,621	\$ 52,940	12.80%
Benefits	159,597	217,457	217,457	201,990	(15,467)	-7.11%
Operations	141,505	223,979	236,500	217,490	(6,489)	-2.90%
Debt	513,955	513,600	513,600	518,900	5,300	1.03%
Transfers out	232,575	1,310,480	1,364,480	398,061	(912,419)	-69.62%
<b>Total Stormwater Fund</b>	<b>\$ 1,424,729</b>	<b>\$ 2,679,197</b>	<b>\$ 2,745,718</b>	<b>\$ 1,803,061</b>	<b>\$ (876,136)</b>	<b>-31.91%</b>

## Consolidated Expenditure Budget Summary (Cont'd)

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>\$ Change from Prior Year Original Budget</u>	<u>% Change</u>
<b>State Accommodations Fund</b>						
Salaries	\$ 17,226	\$ 16,728	\$ 16,728	\$ 18,366	\$ 1,638	9.79%
Benefits	6,675	6,752	6,752	7,423	671	9.93%
Operations	669,911	875,437	875,437	1,075,658	200,221	22.87%
Transfers out	84,446	70,416	70,416	438,223	367,807	522.33%
Total State Accommodations Fund	<u>\$ 778,258</u>	<u>\$ 969,333</u>	<u>\$ 969,333</u>	<u>\$ 1,539,670</u>	<u>\$ 570,337</u>	58.84%
<b>Fire Impact Fund</b>						
Debt	\$ 129,239	\$ 63,654	\$ 63,654	\$ -	(63,654)	-100.00%
Contribution to Fund Balance	-	41,346	41,346	205,000	163,654	395.82%
Total Fire Impact Fund	<u>\$ 129,239</u>	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ 205,000</u>	<u>\$ 100,000</u>	95.24%
<b>TIF II Fund</b>						
Capital	\$ 21,562	\$ 109,000	\$ 209,000	\$ 740,000	\$ 631,000	578.90%
Transfers out	5,492	100,000	100,000	1,100,000	1,000,000	1000.00%
Total TIF II Fund	<u>\$ 27,054</u>	<u>\$ 209,000</u>	<u>\$ 309,000</u>	<u>\$ 1,840,000</u>	<u>\$ 1,631,000</u>	780.38%
<b>ARPA Fund</b>						
Salaries	\$ -	\$ 100,001	\$ 100,001	\$ 94,500	\$ (5,501)	-5.50%
Benefits	-	43,972	43,972	39,702	(4,271)	-9.71%
Operations	221,448	65,000	165,000	-	(65,000)	-100.00%
Capital	669,669	143,333	506,593	-	(143,333)	-100.00%
Transfers out	535,238	2,643,960	3,929,020	1,352,827	(1,291,133)	-48.83%
Total ARPA Fund	<u>\$ 1,426,354</u>	<u>\$ 2,996,266</u>	<u>\$ 4,744,586</u>	<u>\$ 1,487,029</u>	<u>\$ (1,509,237)</u>	-31.81%
<b>Capital Projects Fund</b>						
Capital	\$ 4,259,755	\$ 21,649,789	\$ 23,677,663	\$ 28,449,471	\$ 6,799,682	31.41%
Total Capital Projects Fund	<u>\$ 4,259,755</u>	<u>\$ 21,649,789</u>	<u>\$ 23,677,663</u>	<u>\$ 28,449,471</u>	<u>\$ 6,799,682</u>	31.41%
Total All Funds	<u>\$ 39,827,309</u>	<u>\$ 65,661,621</u>	<u>\$ 70,252,073</u>	<u>\$ 73,138,211</u>	<u>\$ 7,476,590</u>	11.39%

## **FY 2026 Consolidated Expenditure Budget Highlights**

### **Salaries and Benefits**

- There are 2 new positions (Emergency/Risk Manager and Fire Inspector) included in the FY 2026 Recommended Budget.
- The budget includes a 3% COLA increase and a planning factor of 2% increase as the City awaits results of the Employee and Workforce Compensation Study and merit pool bonus of up to 2.5% for each department.
- Increase of 12% in Health insurance premiums absorbed by the City.
- Includes employee retention programs.
- Overall increase in salaries & benefits of \$1,370,128 or 7.4%.

### **Operations**

- Overall operations is \$12,305,239 across the funds of the City
  - General Fund increased 7.9%; Parks & Tourism increased 19.0%; State Accommodations Tax increased 22.8% and ARPA decreased by 100%.
  - More detail of these changes are explained in the Fund section.

### **Capital**

- The Capital replacement program is funded with resources partially coming from Committed Fund Balances held in reserve for General Fund purchases.

### **Debt**

- Includes only normal debt payments required for FY 2026 on general obligation bonds, revenue bonds, and capital leases. The new fire truck capital lease debt payments will begin in FY27.

# General Fund

The General Fund is the main operating fund of the City. The primary sources of revenue are property taxes, licenses & permit revenues, franchise fees, intergovernmental revenues and general charges for services.

The General Fund accounts for the activity of the City Council, City Manager, Finance & Information Technology, Human Resources, Municipal Court, Community & Economic Development & Building Inspections, Police, Fire, and Public Works.

## BUDGET SUMMARY - REVENUES

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
Property Taxes	\$ 9,595,224	\$ 9,598,632	\$ 9,598,632	\$ 9,969,172	\$ 370,540
Licenses & Permits	7,860,404	6,870,000	6,870,000	7,817,000	947,000
Charges for Services	1,538,565	1,682,165	1,682,165	1,952,049	269,884
Franchise Fees	2,328,308	2,258,000	2,258,000	2,384,440	126,440
Intergovernmental	5,854,209	4,228,681	4,274,889	4,220,965	(7,716)
Fines & Forfeitures	63,142	64,000	64,000	67,000	3,000
Interest	703,260	550,000	550,000	600,000	50,000
Miscellaneous	952,979	110,000	110,000	60,000	(50,000)
Transfers In	84,446	70,416	70,416	69,584	(832)
Issuance of Capital Lease	-	-	-	833,472	833,472
Release of Committed Fund Balance- Vehicles and Equipment	-	213,293	213,293	406,590	193,297
Release of Committed Fund Balance- Redevelopment	-	-	-	375,000	375,000
Release of Fund Balance	-	-	-	153,224	153,224
<b>Total Revenues</b>	<b>\$ 28,980,538</b>	<b>\$ 25,645,187</b>	<b>\$ 25,691,395</b>	<b>\$ 28,908,496</b>	<b>\$ 3,263,309</b>

## Property Taxes

	<b>FY 2024 Actual</b>	<b>FY 2025 Original Budget</b>	<b>FY 2025 Revised Budget</b>	<b>FY 2026 Recommended Budget</b>
Current Property Taxes	\$ 6,733,875	\$ 6,972,437	\$ 6,972,437	\$ 7,450,043
Property Taxes - Debt Mil	1,924,668	1,668,172	1,668,172	1,611,897
Delinquent Property Tax	184,839	258,634	258,634	232,147
Penalties & Interest	39,756	35,508	35,508	36,203
Vehicle Property Taxes	458,953	415,204	415,204	383,882
Homestead Exemption	202,001	197,677	197,677	202,000
Motor Carrier	13,590	14,000	14,000	14,000
Payment in Lieu	37,542	37,000	37,000	39,000
<b>Total Property Taxes</b>	<b>\$ 9,595,224</b>	<b>\$ 9,598,632</b>	<b>\$ 9,598,632</b>	<b>\$ 9,969,172</b>
Taxable Assessed Value <sup>1</sup>	\$ 122,069,477	\$ 126,453,357	\$ 126,453,357	\$ 131,884,905
Value of Mil	\$ 122,069	\$ 126,453	\$ 126,453	\$ 131,885

<sup>1</sup> TY 2025 estimated taxable assessed value presented in FY 2026 Recommended budget is estimated based on historical and known growth.

## Property Taxes

- Represents the largest revenue source of the City, or approximately 34.3% of the total revenues.
- Taxable assessed value of real property for tax year 2025 is estimated to be \$112,936,964, a 5.3% growth over the actual ending values for tax year 2024.
- Taxable assessed value of personal property is estimated for tax year 2025 to be \$12,133,667, a 3.2% growth over the actual ending values for tax year 2024.
- Vehicle taxable assessed value is estimated for tax year 2025 of \$6,814,274, a 9.1% decrease over tax year 2024.
- Total Taxable Assessed Value is estimated at \$131,884,905, an overall increased of \$5,431,548 from FY 2025.
- The millage cap is 2.95% based on CPI. The recommended budget includes the operating and debt millage as follows for:
  - The operating mil was 58.3 in FY25. The City's millage cap (1.7%) is applied to for FY 2026 Operating Mil is 59.3. An increase in property tax operating millage of 1.0 mils.
  - Debt mil is decreased from 13.6 mils in FY 2025 to 12.6 mils, for a total of 1.0 mil and sufficient to cover the debt service payments.
  - Recommend maintaining the 2 reserve mil and include in operating mil to continue to fund for aging infrastructure.
  - Total recommended millage rate of 73.9 mils remains the same to the overall millage.

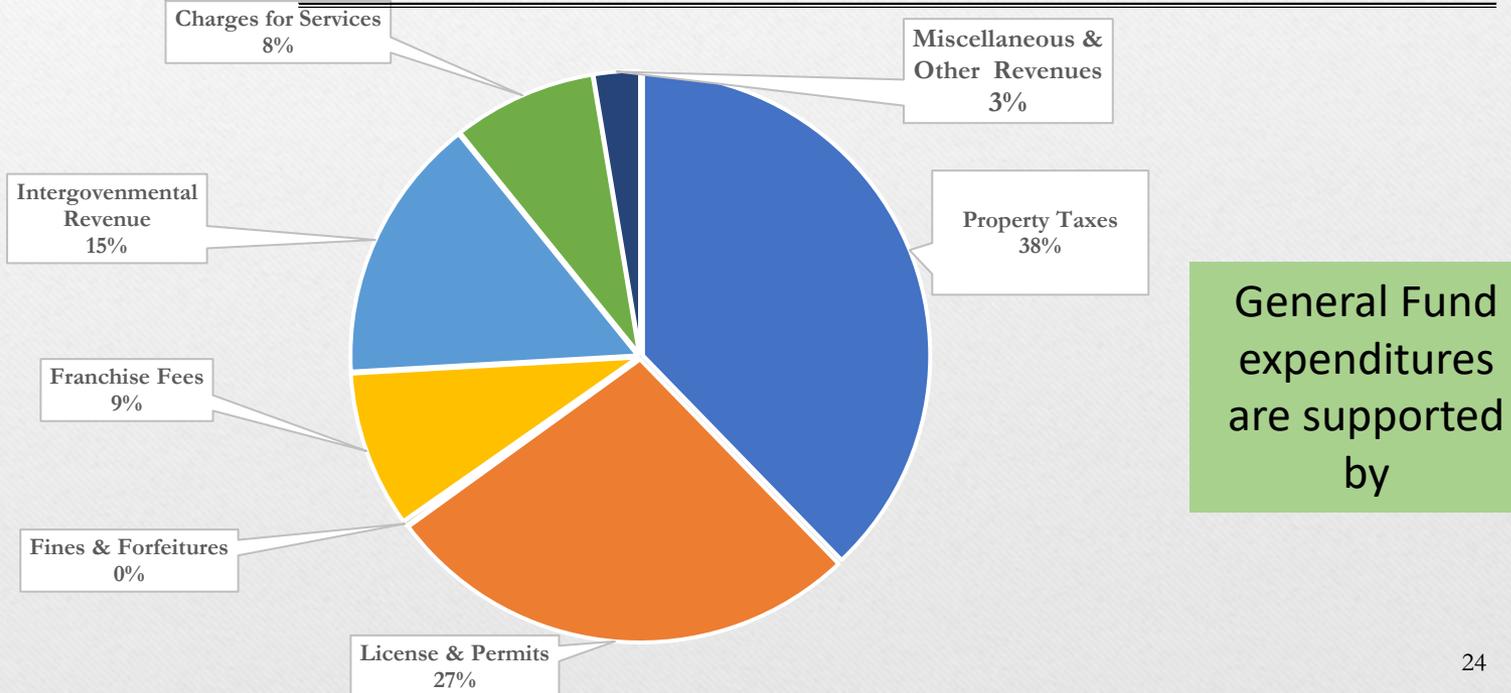
## Other Significant Revenues

- Licenses and permits is budgeted for an estimated increase of \$947,000 more than FY 2025 adopted budget, which is comprised of a \$1,150,000 increase in business licenses due to a strong business economy within the City and offset by a decrease of \$200,000 for associated building permits for larger commercial and residential development that has mostly occurred in previous fiscal years.
- Charges for services include \$23.50/year vehicle tag fee that will generate an estimated amount of \$231,084 for City to offset costs for right of way maintenance and street sweeping on SCDOT roads within City limits.
- The issuance of capital lease for \$833,472 is to finance the remaining amount owed on the new fire truck.

# BUDGET SUMMARY - EXPENDITURES

## General Fund

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended	Change from Prior Year Original Budget
Salaries	\$ 9,792,715	\$ 10,494,482	\$ 10,494,482	\$ 11,201,475	\$ 706,993
Benefits	3,913,554	4,368,181	4,368,181	4,728,483	360,303
Operations	9,689,275	8,299,932	8,383,804	8,960,060	660,128
Capital	691,987	492,443	674,930	1,587,229	1,094,786
Debt	1,922,443	1,990,149	1,990,149	2,056,248	66,099
Transfers Out	-	-	255,645	375,000	375,000
<b>Total Expenditures</b>	<b>\$ 26,009,973</b>	<b>\$ 25,645,187</b>	<b>\$ 26,167,190</b>	<b>\$ 28,908,496</b>	<b>\$ 3,263,309</b>



# General Fund Budget By Department

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	\$ Change from Prior Year Original Budget	% Change
<b><u>Non Departmental</u></b>						
Operations	\$ 2,649,958	\$ 822,823	\$ 822,823	\$ 915,171	\$ 92,348	11.22%
Capital	231,268	-	-	-	-	0.00%
Transfers Out	-	-	255,645	375,000	375,000	0.00%
<b>Total NonDepartmental</b>	<b>\$ 2,881,226</b>	<b>\$ 822,823</b>	<b>\$ 1,078,468</b>	<b>\$ 1,290,171</b>	<b>\$ 467,348</b>	<b>43.33%</b>
<b><u>City Council</u></b>						
Salaries	\$ 65,060	\$ 67,550	\$ 67,550	\$ 67,550	\$ 0	0.00%
Benefits	20,414	24,171	24,171	24,898	727	3.01%
Operations	243,051	253,600	253,600	226,000	(27,600)	-10.88%
<b>Total City Council</b>	<b>\$ 328,525</b>	<b>\$ 345,321</b>	<b>\$ 345,321</b>	<b>\$ 318,448</b>	<b>\$ (26,873)</b>	<b>-7.78%</b>
<b><u>City Manager</u></b>						
Salaries	\$ 464,271	\$ 575,864	\$ 575,864	\$ 675,468	\$ 99,604	17.30%
Benefits	152,802	193,059	193,059	233,134	40,075	20.76%
Operations	137,978	183,238	183,238	183,711	473	0.26%
<b>Total City Manager</b>	<b>\$ 755,050</b>	<b>\$ 952,161</b>	<b>\$ 952,161</b>	<b>\$ 1,092,313</b>	<b>\$ 140,152</b>	<b>14.72%</b>
<b><u>Finance</u></b>						
Salaries	\$ 529,882	\$ 570,233	\$ 570,233	\$ 623,546	\$ 53,313	9.35%
Benefits	180,371	198,494	198,494	237,607	39,113	19.70%
Operations	196,873	232,123	232,123	239,162	7,039	3.03%
<b>Total Finance</b>	<b>\$ 907,126</b>	<b>\$ 1,000,850</b>	<b>\$ 1,000,850</b>	<b>\$ 1,100,316</b>	<b>\$ 99,465</b>	<b>9.94%</b>
<b><u>Information Technology</u></b>						
Operations	\$ 784,389	\$ 865,621	\$ 918,529	\$ 929,137	\$ 63,516	7.34%
Capital Outlay	65,102	160,000	160,000	10,000	(150,000)	-93.75%
<b>Total Information Technology</b>	<b>\$ 849,491</b>	<b>\$ 1,025,621</b>	<b>\$ 1,078,529</b>	<b>\$ 939,137</b>	<b>\$ (86,484)</b>	<b>-8.02%</b>

## General Fund Budget By Department (cont'd)

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>\$ Change from Prior Year Original Budget</u>	<u>% Change</u>
<b><u>Human Resources</u></b>						
Salaries	\$ 218,913	\$ 243,236	\$ 243,236	\$ 253,739	\$ 10,503	4.32%
Benefits	86,886	95,424	95,424	102,606	7,182	7.53%
Operations	116,256	215,708	215,708	156,999	(58,709)	-27.22%
<b>Total Human Resources</b>	<b>\$ 422,055</b>	<b>\$ 554,368</b>	<b>\$ 554,368</b>	<b>\$ 513,344</b>	<b>\$ (41,024)</b>	<b>-7.40%</b>
<b><u>Municipal Court</u></b>						
Salaries	\$ 254,183	\$ 272,075	\$ 272,075	\$ 300,402	\$ 28,327	10.41%
Benefits	111,530	124,968	124,968	139,665	14,698	11.76%
Operations	182,158	240,007	260,942	249,914	9,906	4.13%
<b>Total Municipal Court</b>	<b>\$ 547,871</b>	<b>\$ 637,050</b>	<b>\$ 657,985</b>	<b>\$ 689,981</b>	<b>\$ 52,931</b>	<b>8.04%</b>
<b><u>Community Development</u></b>						
Salaries	\$ 596,773	\$ 758,358	\$ 758,358	\$ 726,323	\$ (32,035)	-4.22%
Benefits	219,722	289,438	289,438	286,818	(2,620)	-0.91%
Operations	395,974	408,050	411,287	339,225	(68,825)	-16.87%
<b>Total Community Development</b>	<b>\$ 1,212,469</b>	<b>\$ 1,455,846</b>	<b>\$ 1,459,083</b>	<b>\$ 1,352,367</b>	<b>\$ (103,479)</b>	<b>-7.09%</b>
<b><u>Police</u></b>						
Salaries	\$ 3,200,531	\$ 3,399,893	\$ 3,399,893	\$ 3,671,418	\$ 271,525	7.99%
Benefits	1,330,935	1,468,734	1,468,734	1,608,570	139,836	9.52%
Operations	1,228,785	1,418,341	1,418,974	1,724,251	305,910	21.57%
Capital Outlay	217,498	177,443	177,443	133,167	(44,276)	-24.95%
<b>Total Police</b>	<b>\$ 5,977,748</b>	<b>\$ 6,464,411</b>	<b>\$ 6,465,044</b>	<b>\$ 7,137,407</b>	<b>\$ 672,996</b>	<b>10.41%</b>

## General Fund Budget By Department (cont'd)

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>\$ Change from Prior Year Original Budget</u>	<u>% Change</u>
<b><u>Fire</u></b>						
Salaries	\$ 4,139,324	\$ 4,182,546	\$ 4,182,546	\$ 4,479,438	\$ 296,891	7.10%
Benefits	1,653,835	1,765,800	1,765,800	1,904,579	138,780	7.86%
Operations	1,102,312	679,886	679,886	861,253	181,367	26.68%
Capital Outlay	45,585	-	-	1,219,062	1,219,062	100.00%
Debt	79,211	144,796	144,796	208,450	63,654	43.96%
<b>Total Fire</b>	<b>\$ 7,020,267</b>	<b>\$ 6,773,028</b>	<b>\$ 6,773,028</b>	<b>\$ 8,672,782</b>	<b>\$ 1,899,754</b>	<b>28.05%</b>
<b><u>Public Works</u></b>						
Salaries	\$ 323,778	\$ 424,727	\$ 424,727	\$ 403,591	\$ (21,135)	-4.98%
Benefits	157,059	208,094	208,094	190,605	(17,488)	-8.40%
Operations	2,652,016	2,980,535	2,986,694	3,135,237	154,702	5.19%
Capital Outlay	132,059	155,000	337,486	225,000	70,000	45.16%
<b>Total Public Works</b>	<b>\$ 3,264,912</b>	<b>\$ 3,768,355</b>	<b>\$ 3,957,000</b>	<b>\$ 3,954,433</b>	<b>\$ 186,079</b>	<b>4.70%</b>
<b><u>General Obligation and Capital Lease Debt</u></b>						
Principal	\$ 1,482,497	\$ 1,541,915	\$ 1,541,915	\$ 1,604,230	\$ 62,315	4.04%
Interest	360,736	303,438	303,438	243,568	(59,870)	-19.73%
<b>Total General Obligation Debt</b>	<b>\$ 1,843,232</b>	<b>\$ 1,845,353</b>	<b>\$ 1,845,353</b>	<b>\$ 1,847,799</b>	<b>\$ 2,446</b>	<b>0.13%</b>
<b>Total General Fund Expenditures</b>	<b>\$ 26,009,973</b>	<b>\$ 25,645,187</b>	<b>\$ 26,167,190</b>	<b>\$ 28,908,496</b>	<b>\$ 3,263,309</b>	<b>12.72%</b>

## GENERAL FUND EXPENDITURE SUMMARY

- Salaries in the general fund increased \$706,993 which is primarily a planning factor of 2% for compensation study, a 3% COLA increase, inclusion of up to a 2.5% merit bonus for each department to support performance evaluations of personnel, one new full-time positions for emergency/risk manager, and including for the first time budgeting for vacation payouts for planned retirements and employees leaving the City's workforce.
- Benefits in the general fund increased \$360,303 which is primarily a result of a 12% increase in health insurance and changes to benefit selections of personnel.
- Operations increased by \$660,128 or 7.9% and are highlighted as follows:
  - Police Department increased \$135,000 compared to FY25 original budget mostly attributable to replacement of 6 police vehicles through City's lease program.
  - Public Works increased \$75,000 to cover the increased cost of residential garbage collection.
- Planned use of committed fund balance for capital equipment totaling \$406,950.

# Parks & Tourism Fund

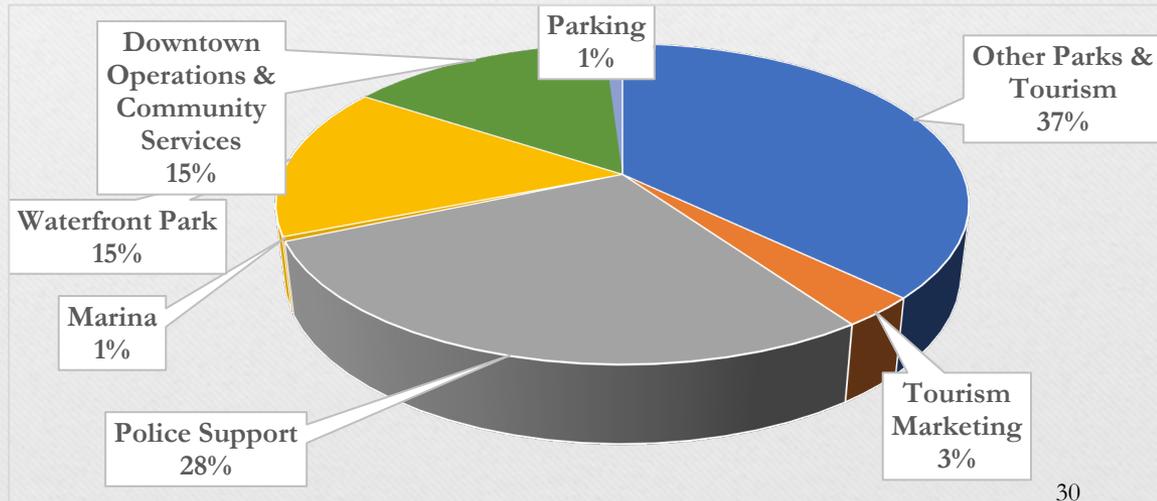
Established to account for the revenues and expenditure activities of the City that are dedicated toward support of tourism related activities, tourism development and the facilities that support those activities.

The Parks & Tourism Fund accounts for the activity of the Parks Department, Police activity in support of Parks and Tourism, Marina operations, Waterfront Park operations, Parking operations, and Downtown operations.

## BUDGET SUMMARY – REVENUES- PARKS AND TOURISM FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
Other Taxes	\$ 4,439,573	\$ 4,375,000	\$ 4,375,000	\$ 4,445,000	\$ 70,000
Charges for Services	724,950	855,500	855,500	717,500	(138,000)
Interest	323,577	250,000	250,000	350,000	100,000
Issuance of Revenue Bonds	7,100,000	-	-	-	-
Release of Committed Fund Balance- Capital Projects	-	5,733,016	5,733,016	2,561,185	(3,171,831)
Release of Fund Balance	-	194,333	194,333	831,799	637,466
<b>Total Revenues</b>	<b>\$ 12,588,099</b>	<b>\$ 11,407,849</b>	<b>\$ 11,407,849</b>	<b>\$ 8,905,484</b>	<b>\$ (2,502,365)</b>

**Expenditures supported by Local Hospitality and Local Accommodations**

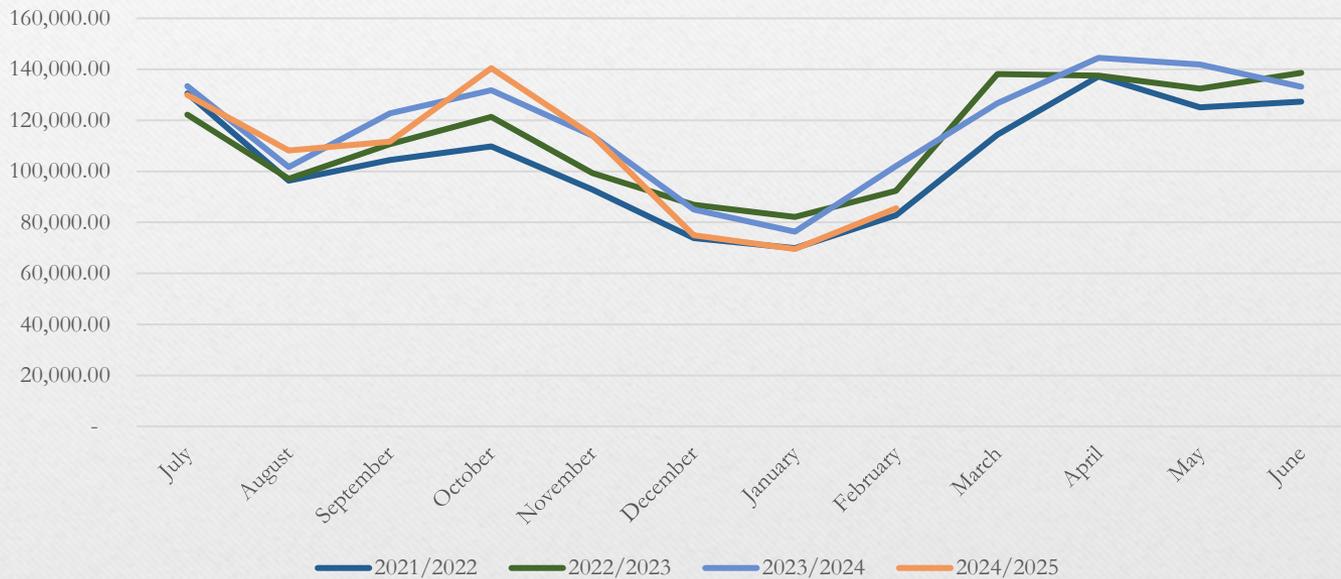


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# Local Hospitality and Local Accommodations

- The two largest revenue contributors to the Parks & Tourism Fund are the Local Hospitality and Local Accommodations taxes.

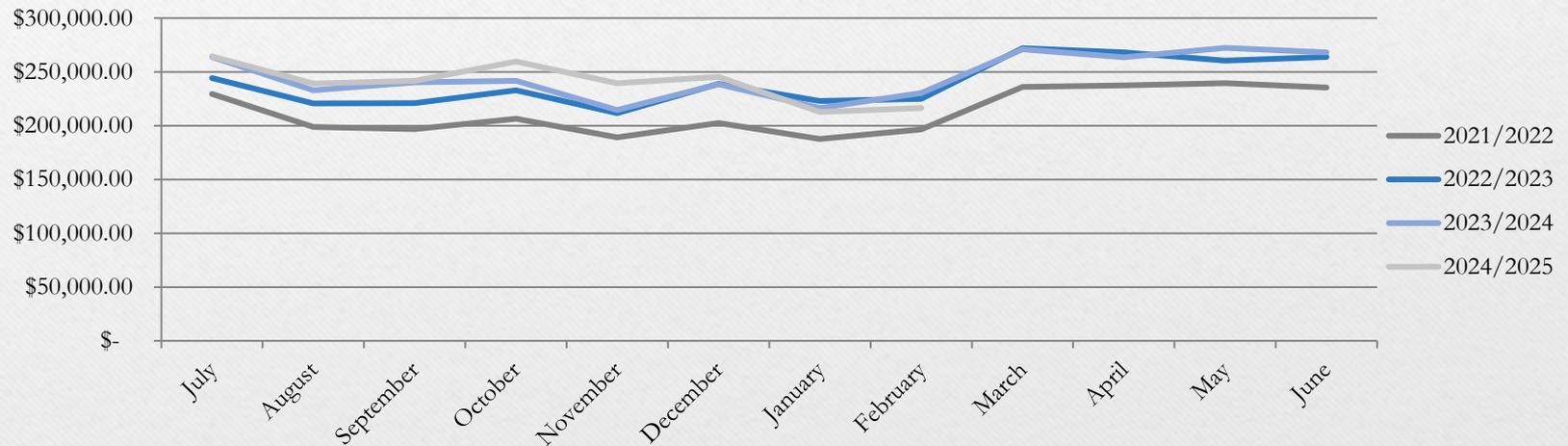
Local Accommodations Tax Historical Analysis



## Local Hospitality and Local Accommodations (Cont'd)

- As a result, the budget anticipates a 1.6% growth in hospitality and accommodations revenues in FY26.

Local Hospitality Tax Historical Analysis



## BUDGET SUMMARY – EXPENDITURES- PARKS AND TOURISM FUND

			FY 2025	FY 2026	Increase (Decrease)
	FY 2024 Actual	FY 2025 Original Budget	Revised Budget	Recommended Budget	from Prior Year Original Budget
<b><u>Public Works Parks Department</u></b>					
Salaries	\$ 499,685	\$ 580,320	\$ 580,320	\$ 698,612	\$ 118,292
Benefits	196,113	252,976	252,976	319,229	66,253
Operations	422,950	492,070	501,720	663,827	171,757
Debt	-	660,503	660,503	660,399	(104)
Capital	43,163	89,500	89,500	125,000	35,500
Total Public Works Parks Department	\$ 1,161,910	\$ 2,075,369	\$ 2,085,019	\$ 2,467,068	\$ 391,699
<b><u>Police Support</u></b>					
Salaries	\$ 989,736	\$ 1,067,940	\$ 1,067,940	\$ 1,109,428	\$ 41,488
Benefits	401,821	500,181	500,181	512,453	12,271
Capital	-	43,333	43,333	78,000	34,667
Total Police Support	\$ 1,391,557	\$ 1,611,454	\$ 1,611,454	\$ 1,699,880	\$ 88,426
<b><u>Tourism Marketing</u></b>					
Operations	\$ 177,665	\$ 176,900	\$ 176,900	\$ 183,000	\$ 6,100
Total Tourism Marketing	\$ 177,665	\$ 176,900	\$ 176,900	\$ 183,000	\$ 6,100
<b><u>Marina</u></b>					
Operations	\$ 20,527	\$ 25,969	\$ 25,969	\$ 79,432	\$ 53,463
Total Marina	\$ 20,527	\$ 25,969	\$ 25,969	\$ 79,432	\$ 53,463
<b><u>Waterfront Park</u></b>					
Operations	\$ 492,403	\$ 529,852	\$ 535,988	\$ 546,207	\$ 16,355
Capital	-	46,100	46,100	24,800	(21,300)
Debt	309,098	309,098	309,098	309,098	-
Total Waterfront Park	\$ 801,501	\$ 885,050	\$ 891,185	\$ 880,105	\$ (4,945)

Tourism Marketing includes allocations of Local Hospitality Fees of \$150,000 (5%) for the CVB and \$33,000 (1.1%) for other non- profit organizations. 33

## BUDGET SUMMARY – EXPENDITURES- PARKS AND TOURISM FUND (CONT'D)

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
<b><u>Other Downtown Operations</u></b>					
Salaries	\$ 239,662	\$ 260,176	\$ 260,176	\$ 274,952	\$ 14,776
Benefits	72,443	80,557	80,557	100,298	19,741
Operations	430,731	466,359	476,308	541,264	74,906
Capital	27,002	35,000	35,000	55,000	20,000
Total Other Downtown Operations	<u>\$ 769,839</u>	<u>\$ 842,091</u>	<u>\$ 852,040</u>	<u>\$ 971,514</u>	<u>\$ 129,423</u>
<b><u>Parking</u></b>					
Operations	\$ 7,676	\$ 33,000	\$ 33,000	\$ 38,300	\$ 5,300
Capital	23,744	25,000	25,000	25,000	-
Total Parking	<u>\$ 31,420</u>	<u>\$ 58,000</u>	<u>\$ 58,000</u>	<u>\$ 63,300</u>	<u>\$ 5,300</u>
<b>Transfers Out- Capital Projects</b>	<u>1,324,644</u>	<u>5,733,016</u>	<u>5,833,016</u>	<u>2,561,185</u>	<u>(3,171,831)</u>
<b>Total Expenditures</b>	<u>5,679,063</u>	<u>11,407,849</u>	<u>11,533,583</u>	<u>8,905,484</u>	<u>(2,502,365)</u>

## STORMWATER FUND



- Stormwater division of Public Works focuses on the stormwater issues facing our City.
- This fund accounts for the collections of Stormwater Utility fees and the associated costs of maintaining the City's Stormwater Management activities.
- Much of the long-term stormwater projects are reported in the Capital Projects Fund. Day to day operations and short-term projects, expected to be completed within the fiscal year, are reported in the Stormwater fund.

## BUDGET SUMMARY- STORMWATER FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	(Decrease) from Prior Year Original Budget
<b>Revenues</b>					
Stormwater Utility Fees	\$ 1,299,926	\$ 1,288,717	\$ 1,288,717	\$ 1,375,000	\$ 86,283
Interest	83,666	80,000	80,000	30,000	(50,000)
Release of Committed Fund Balance- Capital Projects	-	1,310,480	1,310,480	398,061	(912,419)
Total Revenues	1,383,591	2,679,197	2,679,197	1,803,061	(876,136)
<b>Expenditures</b>					
Salaries	377,097	413,681	413,681	466,621	52,940
Benefits	159,597	217,457	217,457	201,990	(15,467)
Operations	141,505	223,979	236,500	217,490	(6,489)
Debt	513,955	513,600	513,600	518,900	5,300
Transfers out	232,575	1,310,480	1,364,480	398,061	(912,419)
Total Expenditures	1,424,729	2,679,197	2,745,718	1,803,061	(876,136)
Net (Deficit) Surplus	\$ (41,137)	\$ -	\$ (66,521)	\$ (0)	\$ (0)

### Budget Highlights:

- Stormwater utility fees rate remain the same.
- Transfers out of Stormwater Bond monies to Capital Projects Fund for the following projects:
  - Bayard Street Drainage- \$398,061



## FIRE IMPACT FUND

This fund accounts for the fire impact fees collected on new development beginning January 1, 2021. Use of these funds is restricted by City Ordinance for Capital Improvements related Fire services.

## BUDGET SUMMARY- FIRE IMPACT FUND

		FY 2025 Original	FY 2025 Revised	FY 2026	Increase (Decrease)
	FY 2024 Actual	Budget	Budget	Recommended	from Prior Year
Revenues				Budget	Original
					Budget
Fire Impact Fees	\$ 86,440	\$ 100,000	\$ 100,000	\$ 200,000	\$ 100,000
Interest	-	5,000	5,000	5,000	-
Total Revenues	86,440	105,000	105,000	205,000	100,000
<b>Expenditures</b>					
Debt	129,239	63,654	63,654	-	(63,654)
Contribution to Fund Balance	-	41,346	41,346	205,000	163,654
Total Expenditures	129,239	105,000	105,000	205,000	100,000
Net (Deficit) Surplus	\$ (42,799)	\$ 0	\$ 0	\$ -	\$ (0)

### Budget Highlights:

- Fire impact fees are expected to slightly increase with new residential and commercial developments.
- The revenues received will be contributed to the Fire Impact Fees fund balance.



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## STATE ACCOMMODATIONS TAX FUND

This fund accounts for the 2% State Accommodations sales tax from transient room rentals and the associated expenditures that are restricted to tourist related expenditures as stipulated by State Law.

## BUDGET SUMMARY- STATE ACCOMMODATIONS TAX FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026	Increase (Decrease)
				Recommended Budget	from Prior Year Original Budget
<b>Revenues</b>					
State Accommodations Tax	\$ 1,213,924	\$ 933,333	\$ 933,333	\$ 916,667	\$ (16,666)
Interest	34,612	36,000	36,000	30,000	(6,000)
Release of Committed Fund Balance- Capital Projects	-	-	-	368,639	368,639
Release of Fund Balance	-	-	-	224,364	224,364
Total Revenues	<u>1,248,536</u>	<u>969,333</u>	<u>969,333</u>	<u>1,539,670</u>	<u>570,337</u>
<b>Expenditures</b>					
Salaries	17,226	16,728	16,728	18,366	1,638
Benefits	6,675	6,752	6,752	7,423	671
Operations					
Designated Marketing Organization	356,677	272,500	272,500	267,500	(5,000)
Downtown Twilight Hours Initiative	263	100,000	100,000	95,000	(5,000)
Tourism Grants to Qualified NPO's	312,971	471,663	471,663	680,928	209,265
Affordable Housing Trust	-	31,274	31,274	32,230	956
Transfers out	84,446	70,416	70,416	438,223	367,807
Total Expenditures	<u>778,258</u>	<u>969,333</u>	<u>969,333</u>	<u>1,539,670</u>	<u>570,337</u>
Net (Deficit) Surplus	<u>\$ 470,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>

- Release of committed fund balance for capital projects include:
  - Arsenal Walls Rehabilitation Project Phase 1 and 2 for \$268,639
  - Arsenal Windows Project for \$100,000

## **AMERICAN RESCUE PLAN ACT (ARPA) FUND**



The American Rescue Plan Act (ARPA) Fund, a new fund adopted in FY 2022, accounts for the collection of ARPA funds and the related expenditures in accordance with the Federal Treasury Department's guidance.

## BUDGET SUMMARY- ARPA FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	(Decrease) from Prior Year Original
<b>Revenues</b>					
Intergovernmental	\$ 1,426,354	\$ -	\$ -	\$ -	\$ -
Interest	314,038	302,306	302,306	134,202	(168,104)
Release of Committed Fund Balance- Capital Projects	-	2,693,960	3,929,020	1,352,827	(1,341,133)
<b>Total Revenues</b>	<b>1,740,392</b>	<b>2,996,266</b>	<b>4,231,326</b>	<b>1,487,029</b>	<b>(1,509,237)</b>
<b>Expenditures</b>					
Salaries	-	100,001	100,001	94,500	(5,501)
Benefits	-	43,972	43,972	39,702	(4,271)
Operations	221,448	65,000	165,000	-	(65,000)
Capital	669,669	143,333	506,593	-	(143,333)
Transfers Out	535,238	2,643,960	3,929,020	1,352,827	(1,291,133)
<b>Total Expenditures</b>	<b>1,426,354</b>	<b>2,996,266</b>	<b>4,744,586</b>	<b>1,487,029</b>	<b>(1,509,237)</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 314,038</b>	<b>\$ -</b>	<b>\$ (513,260)</b>	<b>\$ 0</b>	<b>\$ 0</b>

The budgeted expenditures are highlighted by the follow items:

- \$134,202 in salaries and benefits for capital projects director position.
- \$1,352,827 transfers out to capital projects fund for the following projects:
  - King Street and Port Republic/Carteret Street Drainage- \$727,827
  - Duke Street Streetscape and Drainage Construction- \$625,000

## **TAX INCREMENT FINANCING DISTRICT II (TIF II) FUND**



The Tax Increment Financing District II Fund (TIF II) is used to account for property tax proceeds generated in the TIF II district. These funds are restricted for expenditures and capital improvement projects that benefit the TIF district.

## BUDGET SUMMARY- TIF II FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
<b>Revenues</b>					
Interest	\$ 185,888	\$ 180,000	\$ 180,000	\$ 120,000	\$ (60,000)
Release of Committed Fund Balance- Capital Projects	-	29,000	129,000	1,100,000	1,071,000
Release of Fund Balance	-	-	-	620,000	620,000
Total Revenues	<u>185,888</u>	<u>209,000</u>	<u>309,000</u>	<u>1,840,000</u>	<u>1,631,000</u>
<b>Expenditures</b>					
Capital	21,562	109,000	209,000	740,000	631,000
Transfers Out	5,492	100,000	100,000	1,100,000	1,000,000
Total Expenditures	<u>27,054</u>	<u>209,000</u>	<u>309,000</u>	<u>1,840,000</u>	<u>1,631,000</u>
Net (Deficit) Surplus	<u>\$ 158,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budgeted expenditures are highlighted by the follow items:

- \$500,000 capital for City Hall Parking Expansion.
- \$100,000 capital for Hwy 170/21 intersection camera system
- \$150,000 transfers out to capital projects fund for Police Department Building Upfit.
- \$250,000 transfers out to capital projects fund for SC 1<sup>st</sup> Volunteers Park project
- \$700,000 transfers out to capital projects fund for City Hall/PD/Court Roof project



# Salaries and Benefits – All Funds

# Salaries By Department

	<u>FY 2024 Actual</u>	<u>FY 2025 Original Budget</u>	<u>FY 2025 Revised Budget</u>	<u>FY 2026 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year Original Budget</u>	<u>% Change</u>
<b><u>General Fund</u></b>						
City Council	\$ 65,060	\$ 67,550	\$ 67,550	\$ 67,550	\$ 0	0.00%
City Manager	464,271	575,864	575,864	675,468	99,604	17.30%
Finance	529,882	570,233	570,233	623,546	53,313	9.35%
Human Resources	218,913	243,236	243,236	253,739	10,503	4.32%
Municipal Court	254,183	272,075	272,075	300,402	28,327	10.41%
Community Development	596,773	758,358	758,358	726,323	(32,035)	-4.22%
Police						
Police Staffing	2,762,430	2,888,047	2,888,047	3,100,214	212,166	7.35%
School Resource Officers	349,213	414,437	414,437	465,918	51,481	12.42%
School Crossing Guards	18,167	19,169	19,169	20,127	958	5.00%
Victims Rights	70,721	78,239	78,239	85,159	6,919	8.84%
Beaufort Fire	4,139,324	4,182,546	4,182,546	4,479,438	296,891	7.10%
Public Works						
Administration	179,093	219,462	219,462	224,419	4,956	2.26%
Streets & Traffic	100,023	121,151	121,151	135,781	14,630	12.08%
Facilities Maintenance	44,662	84,113	84,113	43,391	(40,722)	-48.41%
Total General Fund Salaries	<u>\$ 9,792,715</u>	<u>\$ 10,494,482</u>	<u>\$ 10,494,482</u>	<u>\$ 11,201,475</u>	<u>\$ 706,993</u>	<u>6.74%</u>
<b><u>Parks &amp; Tourism Fund</u></b>						
City Parks	\$ 499,685	\$ 580,320	\$ 580,320	\$ 698,612	\$ 118,292	20.38%
Police Support	989,736	1,067,940	1,067,940	1,109,428	41,488	3.9%
Downtown Operations	239,662	260,176	260,176	274,952	14,776	5.7%
Total Parks & Tourism	<u>\$ 1,729,083</u>	<u>\$ 1,908,436</u>	<u>\$ 1,908,436</u>	<u>\$ 2,082,992</u>	<u>\$ 174,556</u>	<u>9.1%</u>
<b><u>ARPA Fund</u></b>						
ARPA	\$ -	\$ 100,001	\$ 100,001	\$ 94,500	\$ (5,501)	100.0%
<b><u>Stormwater Fund</u></b>						
Stormwater Division	\$ 377,097	\$ 413,681	\$ 413,681	\$ 466,621	\$ 52,940	12.8%
<b><u>State Accommodations Fund</u></b>						
Police Support	\$ 17,226	\$ 16,728	\$ 16,728	\$ 18,366	\$ 1,638	9.8%
Total Salaries	<u>\$ 11,916,120</u>	<u>\$ 12,933,327</u>	<u>\$ 12,933,327</u>	<u>\$ 13,863,954</u>	<u>\$ 930,627</u>	<u>7.2%</u>

# Benefits By Department

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget	% Change
<b>General Fund</b>						
City Council	\$ 20,414	\$ 24,171	\$ 24,171	\$ 24,898	\$ 727	3.01%
City Manager	152,802	193,059	193,059	233,134	40,075	20.76%
Finance	180,371	198,494	198,494	237,607	39,113	19.70%
Human Resources	86,886	95,424	95,424	102,606	7,182	7.53%
Municipal Court	111,530	124,968	124,968	139,665	14,698	11.76%
Community Development	219,722	289,438	289,438	286,818	(2,620)	-0.91%
Police						
Police Staffing	1,140,927	1,260,195	1,260,195	1,344,631	84,435	6.70%
School Resource Officers	157,557	172,231	172,231	224,986	52,755	30.63%
School Crossing Guards	3,519	4,301	4,301	4,649	349	8.10%
Victims Rights	28,932	32,007	32,007	34,304	2,297	7.18%
Beaufort Fire	1,653,835	1,765,800	1,765,800	1,904,579	138,780	7.86%
Public Works						
Administration	76,399	82,840	82,840	104,120	21,280	25.69%
Streets & Traffic	44,682	63,386	63,386	65,345	1,960	3.09%
Facilities Maintenance	35,978	61,868	61,868	21,140	(40,728)	-65.83%
Total General Fund Benefits	<u>\$ 3,913,554</u>	<u>\$ 4,368,181</u>	<u>\$ 4,368,181</u>	<u>4,728,483</u>	<u>\$ 360,303</u>	<u>8.25%</u>
<b>Parks &amp; Tourism Fund</b>						
City Parks	\$ 196,113	\$ 252,976	\$ 252,976	\$ 319,229	\$ 66,253	26.2%
Police Support	401,821	500,181	500,181	512,453	12,271	2.5%
Downtown Operations	72,443	80,557	80,557	100,298	19,741	24.5%
Total Parks & Tourism	<u>\$ 670,377</u>	<u>\$ 833,714</u>	<u>\$ 833,714</u>	<u>\$ 931,980</u>	<u>\$ 98,266</u>	<u>11.8%</u>
<b>ARPA Fund</b>						
ARPA	\$ -	\$ 43,972	\$ 43,972	\$ 39,702	\$ (4,271)	100.0%
<b>Stormwater Fund</b>						
Stormwater Division	\$ 159,597	\$ 217,457	\$ 217,457	\$ 201,990	\$ (15,467)	-7.1%
<b>State Accommodations Fund</b>						
Police Support	\$ 6,675	\$ 6,752	\$ 6,752	\$ 7,423	\$ 671	9.9%
Total Benefits	<u>\$ 4,750,203</u>	<u>\$ 5,470,076</u>	<u>\$ 5,470,076</u>	<u>\$ 5,909,577</u>	<u>\$ 439,501</u>	<u>8.0%</u>

## Full-Time Equivalents per Fund with Comparisons

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Increase</b>
	<b>Actual FTE's</b>	<b>Adopted</b>	<b>Recommended</b>	<b>(Decrease)</b>
		<b>FTE's</b>	<b>FTE's</b>	<b>in FTE's from</b>
				<b>Prior Year</b>
<b><u>General Fund</u></b>				
City Council	5.0	5.0	5.0	-
City Manager	5.0	5.0	6.0	1.0
Finance	7.0	7.0	7.0	-
Information Technology	1.0	-	-	-
Human Resources	3.0	3.0	3.0	-
Municipal Court	5.0	5.0	5.0	-
Community & Economic Development	9.0	10.0	9.0	(1.0)
Police				
Police Staffing	44.0	44.0	44.0	-
School Resource Officers	7.0	7.0	7.0	-
School Crossing Guards	2.0	2.0	2.0	-
Victims Rights	1.0	1.0	1.0	-
Beaufort Fire	59.5	59.5	60.5	1.0
Public Works				
Administration	4.0	4.0	4.0	-
Streets & Traffic	3.0	3.0	3.0	-
Facilities Maintenance	4.0	4.0	4.0	-
Total General Fund Salaries	<u>159.5</u>	<u>159.5</u>	<u>160.5</u>	<u>1.0</u>
<b><u>Parks &amp; Tourism Fund</u></b>				
City Parks	8.0	8.0	8.0	-
Police Support	14.2	14.2	14.2	-
Downtown Operations	3.0	3.0	3.0	-
Total Parks & Tourism	<u>25.2</u>	<u>25.2</u>	<u>25.2</u>	<u>-</u>
<b><u>ARPA Fund</u></b>				
ARPA	-	1.0	1.0	-
<b><u>Stormwater Fund</u></b>				
Stormwater Division	7.0	7.0	7.0	-
<b><u>State Accommodations Fund</u></b>				
Police Support	0.3	0.3	0.3	-
<b>Total Full-Time Equivalent Positions</b>	<u>192.0</u>	<u>193.0</u>	<u>194.0</u>	<u>1.0</u>

## CAPITAL PROJECTS AND CAPITAL IMPROVEMENT PLAN



## **CAPITAL PROJECTS FUND AND RECOMMENDED CAPITAL IMPROVEMENT PLAN**

Stormwater Projects are included in the Capital Projects Fund if the project spans longer than one year to complete.

### **RECOMMENDED FY 2026 CAPITAL PROJECTS**

- The City has four active grant awards that impact City Infrastructure. These projects are included in the active Capital Projects list.
  - The Charles/Craven drainage project is fully funded by a SC Office of Resilience grant for \$11,962,093.
  - The King Street and Port Republic/Carteret Street drainage project is partially funded by a Rural Infrastructure Authority grant for \$9,460,299.
  - The Bayard Street drainage project is partially funded by a FEMA grant for \$800,000.
  - The Depot Road Spanish Moss Trail Extension project is fully funded by a \$200,000 CDBG grant and partnership with Beaufort County.

## BUDGET SUMMARY- CAPITAL PROJECTS FUND

	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Revised Budget	FY 2026 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
<b>Revenues</b>					
Grants	\$ 949,262	\$ 10,384,040	\$ 9,265,135	\$ 21,064,812	\$ 10,680,772
Partnerships	-	778,292	778,292	528,947	(249,345)
Transfers In	2,097,948	9,787,457	12,821,036	6,155,712	(3,631,745)
Interest	95,668	-	-	-	-
Release of Fund Balance	-	700,000	813,200	700,000	-
<b>Total Revenues</b>	<b>3,142,878</b>	<b>21,649,789</b>	<b>23,677,663</b>	<b>28,449,471</b>	<b>6,799,682</b>
<b>Expenditures</b>					
Capital	4,259,755	21,649,789	23,677,663	28,449,471	6,799,682
<b>Total Expenditures</b>	<b>\$ 4,259,755</b>	<b>\$ 21,649,789</b>	<b>\$ 23,677,663</b>	<b>\$ 28,449,471</b>	<b>\$ 6,799,682</b>
<b>Net (Deficit) Surplus</b>	<b>\$ (1,116,877)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Budget Highlights:

- 15 active capital projects on parks, stormwater, and streets improvements throughout the City for a total of \$28,449,471.

# FY26 Recommended Capital Projects Funding Sources

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<b>Funding Sources</b>	<b>FY 2026 Recommended Budget</b>
<b>Category</b>	
Grants	\$ 21,064,812
Transfers In	6,155,712
Partnerships	528,947
Release of Fund Balance	700,000
<b>Total</b>	<b>\$ 28,449,471</b>

# FY26 Recommended Capital Projects Funding Sources Detail - Grants

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Grant	Project	FY 2026 Recommended Budget
SCOR Grant	Charles/Craven Street Drainage	\$ 10,708,149
SCIIP Grant	King Street and Port Republic/Carteret Street Drainage	9,460,299
STAG Grant	Bayard Street Drainage	707,664
CDBG Grant	Depot Road Trail Extension	188,700
	Grant Total	\$ 21,064,812

## FY26 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2026 Recommended Budget
General	Fund Balance	Duke Street Streetscape and Drainage	375,000
Stormwater	Stormwater Bond Funds	Bayard Street	398,061
TIF II	Fund Balance	Police Department Building Upfit	150,000
TIF II	Fund Balance	City Hall/PD/Court Roof	700,000
TIF II	Fund Balance	SC 1 <sup>st</sup> Volunteers Park	250,000
ARPA	Fund Balance	King Street and Port Republic/Carteret Street Drainage	727,827
ARPA	Fund Balance	Duke Street Streetscape and Drainage	625,000

## FY26 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2026 Recommended Budget
Parks and Tourism	P&T Revenue Bond	Washington Street Park- Phase II Construction	\$ 36,683
Parks and Tourism	Fund Balance	Washington Street Park- Phase II Construction	491,317
Parks and Tourism	P&T Revenue Bond	Southside Park- Phase II Construction	1,583,185
Parks and Tourism	Fund Balance	Waterfront Park Relieving Platform	250,000
Parks and Tourism	Fund Balance	Carnegie Building Interior	200,000
State Accommodation Tax	Fund Balance	Arsenal Walls Rehabilitation	268,639
State Accommodation Tax	Fund Balance	Arsenal Windows	100,000
		Transfers In Total	\$6,155,712 <sup>55</sup>

## FY26 Recommended Capital Projects Funding Sources Detail – Partnerships

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<b>Partnerships</b>	<b>Category</b>	<b>Project</b>	<b>FY 2026 Recommended Budget</b>
Beaufort County	County Portion	Depot Road Spanish Moss Trail Extension	\$ 528,947
		Partnerships Total	\$ 528,947

# FY26 Recommended Capital Projects Funding Sources Detail – Release of Fund Balance

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Source of Capital Project Fund Balance	Project	FY 2026 Recommended Budget
Capital Project Fund Balance	Marina Fuel Tanks	\$ 700,000
	Release of Fund Balance Total	\$ 700,000

# FY26 Recommended Capital Projects Expenditure Detail

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Projects	FY 2026 Recommended Budget
Washington Street Park- Phase II Construction	\$ 528,000
Southside Park- Phase II Construction	1,583,185
1 <sup>st</sup> SC Volunteer Park	250,000
Waterfront Park Relieving Platform Phase II Engineering	250,000
Charles/Craven Street Drainage	10,708,149
King Street and Port Republic/Carteret Street Drainage	10,188,126
Bayard Street Drainage	1,105,725
Marina Fuel Tank	700,000
Police Department Building Upfit	150,000

# FY26 Recommended Capital Projects Expenditure Detail

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Projects	FY 2026 Recommended Budget
Carnegie Building Interior	\$ 200,000
Arsenal Walls Rehabilitation	268,639
Arsenal Windows	100,000
City Hall/PD/Court Roof Replacement	700,000
Depot Road Spanish Moss Trail Extension	717,647
Duke Street Streetscape and Drainage Construction	1,000,000
Total	\$ 28,449,471

# Capital Project Fund Detail

## FY 26 Recommended Funding

Description	Parks and Tourism		State	Capital	Partners	TIF II	Grant Funding	Stormwater	General Fund	ARPA	Total FY26 Recommended
	Revenue	Parks and Tourism	Accommodations	Project Fund				Bond Funds	Balance		
	Bond Funds	Fund Balance	Tax Fund Balance	Balance				Bond Funds	Balance		
<b>City Facilities</b>											
Carnegie Building Roof and Interior		200,000									\$ 200,000
Arsenal Walls Rehabilitation			268,639								268,639
Arsenal Windows			100,000								100,000
Police Department Building Upfit						150,000					150,000
City Hall/PD/Court Roof Replacement						700,000					700,000
<b>Parks</b>											
Washington Street Park	36,683	491,317									528,000
Southside Park	1,583,185										1,583,185
Waterfront Park Relieving Platform Engineering		250,000									250,000
1st South Carolina Volunteer Park						250,000					250,000
<b>Stormwater</b>											
Charles/Craven Street Drainage							10,708,149				10,708,149
King Street and Port Republic/Carteret Street Drainage							9,460,299			727,827	10,188,126
Bayard Street							707,664	398,061			1,105,725
<b>Marina</b>											
Marina Fuel Tank Replacement				700,000							700,000
<b>Boat Landing</b>											
Pigeon Point Boat Landing											-
<b>Streets</b>											
Duke Street Streetscape and Drainage									375,000	625,000	1,000,000
Depot Road Spanish Moss Trail Extension					528,947		188,700				717,647
	\$ 1,619,868	\$ 941,317	\$ 368,639	\$ 700,000	\$ 528,947	\$ 1,100,000	\$ 21,064,812	\$ 398,061	\$ 375,000	\$ 1,352,827	\$ 28,449,471

# Funding Sources by Funds

Description	State								Total FY26 Recommended	
	TIF II Fund	Parks and Tourism Fund	Accommodations Tax Fund	Stormwater Fund	Capital Project ARPA Fund	Capital Project Fund	General Fund	Partners		Grants
<b>City Facilities</b>										
Carnegie Building Roof and Interior		\$ 200,000							\$ 200,000	
Arsenal Walls Rehabilitation			268,639						268,639	
Arsenal Windows			100,000						100,000	
Police Department Building Upfit	150,000								150,000	
City Hall/PD/Court Roof Replacement	700,000								700,000	
<b>Parks</b>										
Southside Park		1,583,185							1,583,185	
Washington Street Park		528,000							528,000	
Waterfront Park Relieving Platform Engineering		250,000							250,000	
1st South Carolina Volunteer Park	250,000								250,000	
<b>Stormwater</b>										
Charles/Craven Street Drainage								10,708,149	10,708,149	
King Street and Port Republic/Carteret Street Drainage					727,827			9,460,299	10,188,126	
Bayard Street				398,061				707,664	1,105,725	
<b>Marina</b>										
Marina Fuel Tank Replacement						700,000			700,000	
<b>Streets</b>										
Duke Street Streetscape and Drainage					625,000		375,000		1,000,000	
Depot Road Spanish Moss Trail							528,947	188,700	717,647	
	\$ 1,100,000	\$ 2,561,185	\$ 368,639	\$ 398,061	\$ 1,352,827	\$ 700,000	\$ 375,000	\$ 528,947	\$ 21,064,812	\$ 28,449,471

# Unfunded Requirements List

Personnel	Operations/Capital
Police Sergeant- Salary and Benefits- \$104,328 for Community Response Team	Police Boat- \$47,000
2 Patrolman III- Salary and Benefits- \$97,866 each for Community Response Team	2 Police Ford Interceptors with Equipment- \$75,000 each
Downtown Operations- Administrative Assistant- Salary and Benefits- \$70,888	Police Patrol Chevy Tahoe with Equipment- \$80,000
	2 Police Admin Trucks with Equipment- \$66,700 each
	3 Police SUV Admin Vehicles with Equipment- \$61,000 each
	Fire Department Lifepak Monitor- \$60,500