



Annual Adopted Budget and Capital Improvement Plan Fiscal Year 2021-2022



This page intentionally left blank.

TABLE OF CONTENTS

Section	Page
City Manager's Budget Message	1
GFOA Distinguished Budget Presentation Award	3
City of Beaufort at a Glance	4
Organization Chart	8
Consolidated FY22 Adopted Budget Summary	9
Consolidated Revenue Budget Summary	10
Consolidated Expenditure Budget Summary	12
Budget Ordinance	14
Budget Process	19
Budget Calendar	20
Financial Policies	21
Budget Format	25
Strategic Plan 2021-2023	26
Fund Balance	31
Debt	32
Salaries Expenditures	33
Full-Time Equivalents by Fund	34
Benefits Expenditures	35
General Fund	
Revenue Summary	36
Property Taxes	37
Other Significant Revenues	39
Expenditures	40
Expenditures by Department	41
Expenditures Summary	44
Departmental Adopted Budget Details	
Non-Departmental, City Council, City Manager, and Human Resources	45
Finance and Information Technology	52
Municipal Court	55
Community and Economic Development	57
Police	62
Fire	66
Public Works	70
Parks and Tourism Fund	74
Stormwater Fund	80
State Accommodations Fund	83
Fire Impact Fund	84
Capital Improvement Plan	85
Glossary of Terms	91

William A. Prokop
City Manager



City Council Members
Stephen Murray, Mayor
Mike McFee, Mayor Pro Tem
Philip Cromer
Neil Lipsitz
Mitch Mitchell

CITY OF BEAUFORT

1911 Boundary Street Beaufort, SC 29902

City Manager's Budget Message

Mayor Murray and Members of City Council:

I am pleased to present the proposed 2021/2022 Operating Budget as the springtime flowers and tourist begin to return. The budget proposed is the best balancing of ideas and requirements possible and positions the City to follow the Strategic Plan that has been adopted by City Council.

We use our Strategic Plan as the backbone for establishing department goals, priorities, and funding allocations. This year all Department Heads were instructed to develop a flat budget for their departments, and the only increases would be known cost of doing business. We are adding no new positions and will only be filling positions that were placed on hold during last year's budget or replacements for employees who left employment.

The COVID-19 pandemic will have a long-lasting impact on our community, the county, the state, and the world. However, this summer, with vaccines readily available, hospitalizations down, and our most vulnerable fully vaccinated – we are optimistic that we will see a strong rebound of our local economy. Currently, we see increased tourism and the Marine graduations returning to Parris Island. Both will have positive effects on our local economy. In addition, we have strong development activities going on in our City; in our retail, commercial, and residential sections of our economy. This past year has proven just how resilient our community and our municipal team is. We have shown time and time again, over a very long and arduous year, what a caring, dedicated, staff and council we have.

The recommended FY 2022 Operating Budget is estimated to increase by \$746,938 or a 3.24% increase and our milage will reduce overall from 79.3 to 78.2 as we continue to maintain strong financial controls.

The fund balance of the General Fund is a critical focus of every council and manager and the unassigned fund balance is the true bellwether of a municipality's health and decision making. This is particularly true when your location is subject to hurricanes or flooding on a regular basis. We have done a good job in the past in adhering to our fund balance policy and maintaining an unassigned fund balance of 28%, which includes a 3% reserve for emergencies. Our goal this year is to hold to the 28% or slightly higher. The budget utilizes savings from postponed and delayed capital expenses and flat department expenses. While we continue to respond to the current crisis, over the next few months, we will receive FEMA, Cares Act, and expected federal stimulus funds from the American Rescue Plan in a total amount that will exceed \$5.0 million dollars.

The American Rescue dollars will be paid in two installments, one half by the end of the fiscal year and the second half by about the same time next year. Interim Final guidance has just been released by the Federal Treasury Office regarding the use of funds. Additional guidance will be coming out in the next several weeks as we approach fiscal year 2022. They have made it clear that offsetting lost revenues is allowed. Currently, the recommended budget is only reporting the use of \$80,000 of those funds. When the funds are received staff will make recommendations to council as to the best use of the remaining funds.

We are fortunate to have a council and staff that is dedicated and caring about our City. Because of our strong culture we can maintain our focus and do the best we can with what we have for the betterment of the community. We have proven to the public that we are interested in wise spending, not just spending what is budgeted. At times some people have criticized us for spending money to insure or prevent losses that may never arise, however, if measures are not taken and losses occur, the City would be criticized for not taking preventative measures and opening the door for more claims and scrutiny. In times like this and the political pressure that we are all under, the goal of the City is to find the alternative that is the most effective, efficient, and economical.

Just like we did last year we have taken all the input that we have gotten regarding our preliminary budget proposals and combined that input with changes we have seen in revenue and expense projections. We have reviewed each department's request and reviewed, line by line the expenses and projected revenue. This budget is balanced by having a 2 mil decrease in our debt mil, a .5 decrease in our emergency mil and a 1.4 mil increase in our operating mil for a net millage decrease of 1.1 mils.

As stated previously this budget provides our basic and known needs and carries no extra funding for unplanned grant matches, or projects that various individuals or groups may be asking for during the year. Specifically, the proposed budget FY22 annual operating budget of \$ 23,769,178 across all funds which is \$746,938 more than last year's original budget of \$23,022,240 an increase of 3.24%

The key to this budget is going to be the planning and discussions we will have on how it will be best to spend the one-time federal money that we will be receiving. This is where our strategic plan and forward thinking will really matter.

I am grateful to the City staff who believes in planning, cooperation and rises to meet challenges. They have all worked diligently throughout this very difficult time. Many employees, whether working from home or on site, continue to serve our citizens in the best manner possible. As a City we have shared our implemented safety protocols, policies for virtual meetings, and technological solutions we have proven that the City of Beaufort is ready for any challenge as we face the changes of the future.

Respectfully submitted,



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, 2020

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, 2020. 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.



This page intentionally left blank.

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 population of the City according to the 2020 U.S. Census was 13,607.



Local History

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

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

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

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

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



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

Government Profile

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

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

Local Economy

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



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

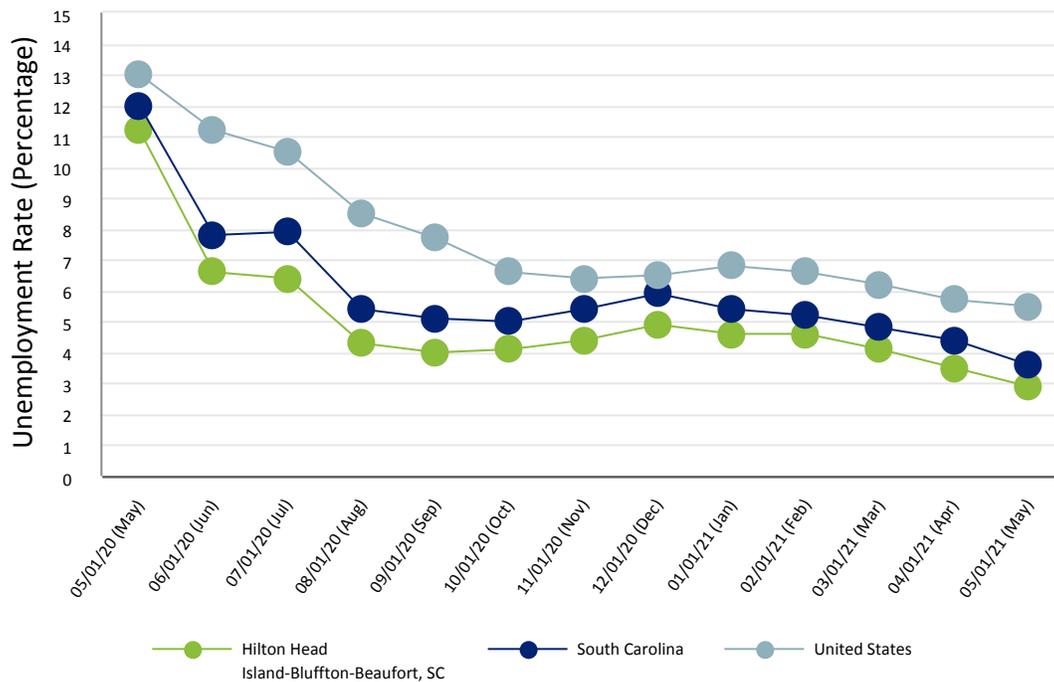
The tourism and hospitality industry is another major economic sector by bringing nearly two million visitors a year to Beaufort and the surrounding Sea Islands. The primary attractions of these visitors include recreation, history, local arts and beach vacations such as Hunting Island State Park. Tourists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

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

Taxpayer	2020		
	Taxable Assessed Value	Rank	% of Total City Net Assessed Value
Wal-Mart Real Estate Business Trust	\$ 2,042,390	1	2.58%
USPG Portfolio Eight, LLC	1,282,430	2	1.62%
Ribaut Holdings, LLC	1,072,090	3	1.35%
303 Associates, LLC	1,013,240	4	1.28%
Beaufort Plaza, Inc.	869,960	5	1.1%
MCR Beaufort LLC	618,660	6	0.78%
HMV Hotels LLC	563,480	7	0.71%
Cross Creek Apartments Holdings. LLC	555,710	8	0.7%
Okatie Hotel Investment LLC	547,290	9	0.69%
Lowes Home Center, Inc.	503,050	10	0.63%

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

Monthly Unemployment Rate (Unadjusted)
Past 13 Months



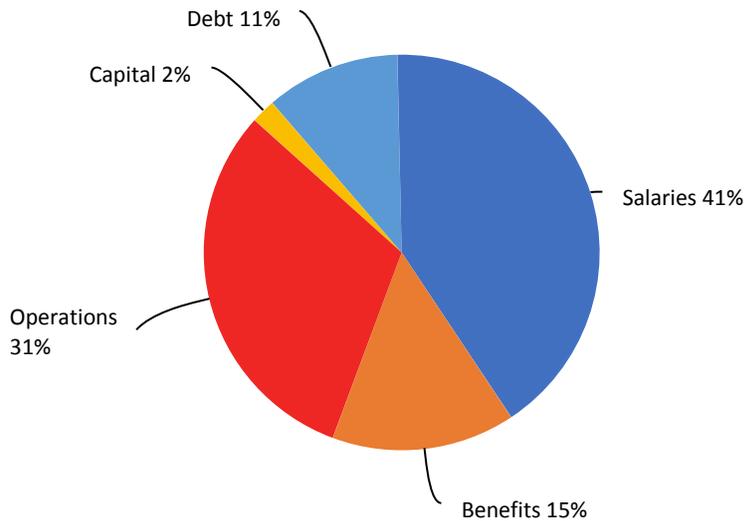
ORGANIZATION CHART



CONSOLIDATED FY22 ADOPTED BUDGET SUMMARY

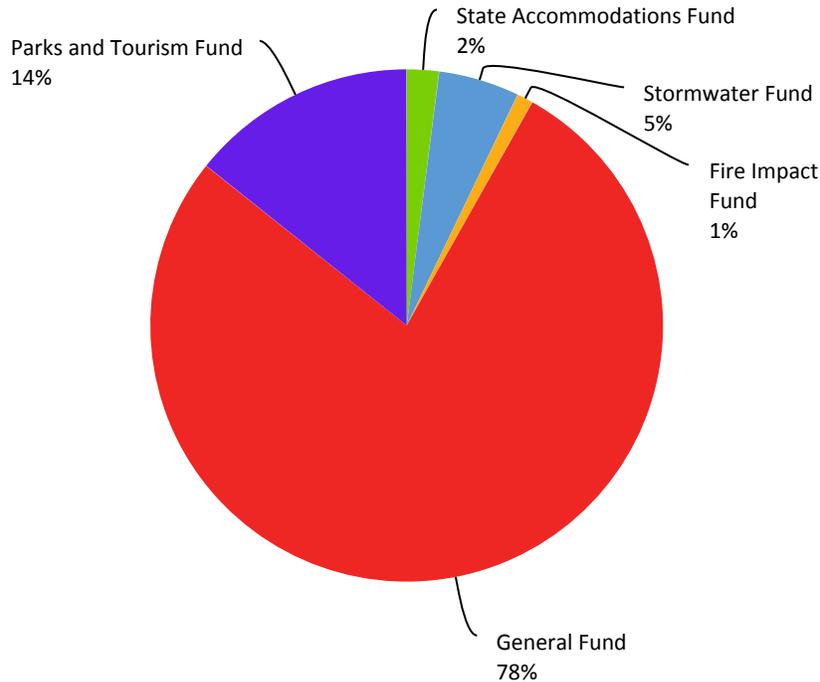
	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Fire Impact Fund	Total
Revenues	\$ 18,392,559	\$35,000	\$ 3,348,631	\$ 1,129,000	\$ 491,686	\$ 119,363	\$ 23,516,239
Salaries	8,012,052	—	1,402,610	314,771	17,914	—	9,747,347
Benefits	3,002,487	—	544,068	125,172	8,502	—	3,680,229
Operating	5,815,181	—	1,015,910	177,618	366,936	—	7,375,645
Capital	100,787	—	76,801	—	50,000	70,400	297,988
Debt	1,761,537	—	309,098	507,500	—	—	2,578,135
Transfers Out	41,500	—	—	—	48,334	—	89,834
Total Expenditures	\$ 18,733,544	\$ —	\$ 3,348,487	\$ 1,125,061	\$ 491,686	\$ 70,400	\$ 23,769,178
Net (Deficit) Surplus	\$ (340,985)	\$35,000	\$ 144	\$ 3,939	\$ —	\$ 48,963	\$ (252,939)

Percentage of Expenditures covered by Revenues



CONSOLIDATED REVENUE BUDGET SUMMARY

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Change	% Change
General Fund	\$ 18,739,083	\$ 18,014,415	\$ 18,392,559	\$ 378,144	2.10 %
Special Revenue Funds					
Parks and Tourism Fund	3,130,216	3,201,100	3,348,631	147,531	4.61 %
State Accommodations Fund	493,092	471,750	491,686	19,936	4.23 %
Stormwater Fund	1,169,725	1,100,000	1,129,000	29,000	2.64 %
TIF II Fund	100,077	35,000	35,000	—	— %
Fire Impact Fund	—	119,363	119,363	—	— %
Redevelopment Fund	12,628	12,400	—	(12,400)	(100.00)%
	<u>\$ 23,644,821</u>	<u>\$ 22,954,028</u>	<u>\$ 23,516,239</u>	<u>\$ 562,211</u>	2.45 %



FY22 CONSOLIDATED REVENUE BUDGET HIGHLIGHTS

- Property Tax estimates:
 - Taxable Assessed Value (TY 2021 estimated) = \$104,667,117
 - Estimates from the County were unavailable because of delays in tax bills being released for TY2020. Therefore, the estimate was based on historical assessed values in December of each year and known growth from new construction and annexations.
 - This represents an overall project growth of \$8,568,692 or 9%.
 - Real property taxable assessed value is projected to grow 8.0% over TY 2020 and personal property taxable assessed value is expected to see growth of 27%. Vehicle property tax is projected to increase 2% over FY 2021.
 - Value of a Mil for TY 2020 is \$96,098 and \$104,667 for TY 2021.
- Property Tax in the General Fund includes an estimated growth and CPI increase in the operating mil along with the carryforward from the prior year of 3.5%, or 1.9 mils, debt mil is decreased by 2 mils to cover debt payments of the general fund and a continuation of the reserve mils at 2 mils to fund future infrastructure repairs and emergency mil is decreased by .5 mils.
 - Growth adds an estimated \$102,824 and the mil adjustment for CPI adds \$59,981 for a total \$162,805 increase to the City's property tax revenues.
 - The adopted budget includes the total millage of 78.2 mils or an overall decrease of 1.1 mils from fiscal year 2021.
- Overall revenue growth of the General Fund is estimated at 2.1% over FY 2021 or \$378,144.
- The General Fund budget includes an increase in residential refuse collection fees from \$16.20 per month to \$20 per month due to increases in the collection charge by the refuse collection provider. The last increase was in fiscal year 2014. The net to the City remains the same as in prior years, estimated at 7%.
- City Council approved the Fire Impact Fee in FY 2021 along with the creation of the Fire Impact Fund.
 - Fees went into effect on January 1, 2021 and generated revenues of \$7,900 through April 2021. Active development projects in the City are estimated to generate \$119,363 in Fire Impact Fees during FY 2022. There fees will be used to offset the Fire Department Capital Infrastructure in accordance with they approved Ordinance.
- Though the impacts of COVID-19 affected the City's local hospitality and accommodations taxes reported in the Parks & Tourism fund during FY 2021. The City is beginning to experience recovery as businesses return to normal operations. During FY 2022, the budget includes estimated increases of 3.9% or \$106,031 over FY 2021.
- Stormwater revenues are estimated to increase 2.64% over FY 2021.

CONSOLIDATED EXPENDITURE BUDGET SUMMARY

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Change	% Change
General Fund					
Salaries	\$ 7,606,092	\$ 7,846,997	\$ 8,012,052	\$ 165,055	2.10 %
Benefits	2,661,430	2,883,949	3,002,487	118,538	4.11 %
Operations	5,336,908	5,538,624	5,815,181	276,557	4.99 %
Capital	675,717	53,430	100,787	47,357	88.63%
Debt	1,830,772	1,755,057	1,761,537	6,480	0.37 %
Transfers Out	362,930	—	41,500	41,500	— %
Total General Fund	\$ 18,473,849	\$ 18,078,057	\$ 18,733,544	\$ 655,487	3.63 %
Parks and Tourism Fund					
Salaries	\$ 1,468,227	\$ 1,341,030	\$ 1,402,610	\$ 61,580	4.59 %
Benefits	539,883	510,967	544,068	33,101	6.48 %
Operations	924,579	1,022,740	1,015,910	(6,830)	(0.67)%
Capital	61,847	45,301	76,801	31,500	69.53 %
Debt	309,098	309,098	309,098	—	— %
Total Parks and Tourism Fund	\$ 3,303,634	\$ 3,229,136	\$ 3,348,487	\$ 119,351	3.70 %
Stormwater Fund					
Salaries	\$ 302,283	\$ 302,083	\$ 314,771	\$ 12,688	4.20 %
Benefits	105,511	111,771	125,172	13,401	11.99 %
Operations	187,098	186,917	177,618	(9,299)	(4.97)%
Capital	150,528	64,000	—	(64,000)	100 %
Debt	507,792	508,126	507,500	(626)	(0.12)%
Transfers Out	531,044	—	—	—	— %
Total Stormwater Fund	\$ 1,784,256	\$ 1,172,897	\$ 1,125,061	\$ (47,836)	(4.08)%
State Accommodations Fund					
Salaries	\$ 16,618	\$ 17,723	\$ 17,914	\$ 191	1.08 %
Benefits	7,952	6,203	8,502	2,299	37.06 %
Operations	368,955	350,524	366,936	16,412	4.68 %
Capital	—	50,000	50,000	—	— %
Transfers Out	48,334	47,300	48,334	1,034	2.19 %
Total State Accommodations Fund	\$ 441,859	\$ 471,750	\$ 491,686	\$ 19,936	4.23 %
TIF II Fund					
Operations	\$ 6,759	\$ —	\$ —	\$ —	— %
Capital	443,113	—	—	—	— %
Transfers Out	478,285	—	—	—	— %
Total TIF II Fund	\$ 928,157	\$ —	\$ —	\$ —	— %
Fire Impact Fund					
Capital	—	70,400	70,400	—	— %
Redevelopment Fund					
Operations	\$ 1,170	\$ —	\$ —	\$ —	— %
Total Redevelopment Fund	\$ 1,170	\$ —	\$ —	\$ —	— %
Total All Funds	\$ 24,932,925	\$ 23,022,240	\$ 23,769,178	\$ 746,938	3.24 %

FY22 CONSOLIDATED EXPENDITURE BUDGET HIGHLIGHTS

Salaries and Benefits

- No new positions other than law enforcement positions and a planner position that were frozen in FY 2021 are included in the FY 2022 budget.
- The budget includes a merit pool of 2% for each department. The estimate is based on actual payroll costs for FY 2021 totaling \$225,943.
- Increase in retirement contributions by PEBA of 1% and increase of 2% in health and dental premiums.
- General Fund salaries and benefits increased 2.64%, Parks and Tourism salaries and benefits increased 5.11% and Stormwater salaries and benefits increased 6.3%.
 - Increases in Parks and Tourism and Stormwater are due to allocations of personnel costs of the Police Department and Public Works to multiple funds.
- Overall increase in salaries and benefits of \$406,853 or 3.12%.

Operations

- Overall increase of 3.9% in operations across the funds of the City. General Fund increased 4.99%, Parks and Tourism decreased .67%, Stormwater decreased 4.98%, and State Accommodations Tax increased 4.68%.

Capital

- The capital replacement program that was frozen for FY 2021 is resumed with resources coming from Committed Fund Balances held in reserve for such purchases.

Debt

- Includes only normal debt payments required for FY 2022. There is no new debt included in the adopted budget.

BUDGET ORDINANCE

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR THE CITY OF BEAUFORT FOR FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022; 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, 2021 and ending June 30, 2022, and

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

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

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Beaufort, SC, in Council duly assembled, and by the authority of the same to provide for the levy of tax for corporate City of Beaufort for the fiscal year beginning July 1, 2021 and ending June 30, 2022, 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 24, 2021 meeting.

SECTION 2. MILLAGE

The Beaufort County Auditor is hereby authorized and directed to levy the Fiscal Year 2021 - 2022 a tax of 78.2 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	57.70
City Debt Service	18.00
City Reserve Mil	2.00
Emergency Mil	0.50

SECTION 3. CITY OPERATIONS APPROPRIATION

An amount of \$23,769,178 is appropriated to the City of Beaufort to fund City Operations as follows:

	<u>Appropriation</u>
<u>General Fund</u>	
Non Departmental	\$ 225,110
City Council	116,309
City Manager	544,002
Finance	883,444
Human Resources	331,222
Information Technology	459,064
Municipal Court	495,989
Community and Economic Development	1,151,703
Police Operations	4,338,368
School Resource Officer	333,309
School Crossing Guards	27,712
Victims Rights	84,424
Beaufort Fire	5,481,008
Public Works	375,144
Streets & Traffic	877,840
Facilities Maintenance	511,645
Solid Waste	735,715
Debt Service	1,761,537
Total General Fund	<u>\$ 18,733,544</u>
<u>Parks & Tourism Fund</u>	
Police Operations	\$ 1,163,949
Marina	81,220
Waterfront Park Operations	765,746
Parking	63,300
Other Parks & Tourism	830,791
Other Downtown Operations	341,166
Tourism Marketing	102,315
Total Parks & Tourism Fund	<u>\$ 3,348,487</u>
<u>Stormwater Utility Fund</u>	
Stormwater Utility Operations	\$ 617,561
Debt Service	507,500
Total Stormwater Utility Fund	<u>\$ 1,125,061</u>
<u>State Accommodations Fund</u>	
Police Operations	\$ 26,416
Other Tourism Operations	50,000
Designated Marketing Organization	183,800
ATAX Grant Awards	183,136
Transfers out	48,334
Total State Accommodations Fund	<u>\$ 491,686</u>
<u>Fire Impact Fund</u>	
	<u>\$ 70,400</u>
Total Appropriations	<u><u>\$ 23,769,178</u></u>

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

Capital Project Appropriations shall not lapse at June 30, 2021, 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	\$ 8,169,741
Licenses & Permits	4,120,000
Intergovernmental Revenue	2,365,446
Franchise Fees	2,041,468
Charges for Services	1,403,571
Fines and Forfeitures	164,000
Miscellaneous	20,000
Interest	10,000
Transfers In	98,334
Total General Fund	<u>\$ 18,392,559</u>
<u>TIF II Fund</u>	
Interest	\$ 35,000
Total TIF II Fund	<u>\$ 35,000</u>
<u>Parks & Tourism Fund</u>	
Other Taxes	\$ 2,812,031
Charges for Services	490,100
Miscellaneous	5,000
Transfers In	41,500
Total Parks and Tourism Fund	<u>\$ 3,348,631</u>
<u>Stormwater Utility Fund</u>	
Charges for Services	\$ 1,129,000
Total Stormwater Utility Fund	<u>\$ 1,129,000</u>
<u>State Accommodations Fund</u>	
Other Taxes	\$ 491,686
Total State Accommodations Fund	<u>\$ 491,686</u>
<u>Fire Impact Fund</u>	
Fire Impact Fee	\$ 119,363
Total Fire Impact Fund	<u>\$ 119,363</u>
<u>Redevelopment Fund</u>	
Charges for Services	\$ —
Total Redevelopment Fund	<u>\$ —</u>
Total Revenues	<u><u>\$ 23,516,239</u></u>

The adopted budget hereby authorizes the release of Committed Fund Balance for Vehicles & Equipment of \$212,594 and Committed Fund Balance for Redevelopment of \$128,391 for a total release of Committed Fund Balance of \$340,985 to bring total appropriations of the General Fund in balance with total revenues of the General Fund.

SECTION 5. ESTABLISHMENT OF A MASTER FEE SCHEDULE

A Master Fee Schedule listing all fees charged by the City for Fiscal Year 2022 is included and incorporated for reference as Attachment A.

SECTION 5. CITY DEBT SERVICE APPROPRIATION

The revenue generated by an 18.0 mill levy is appropriated to defray the principal and interest payment on all City debt authorized to cover Capital expenditures.

SECTION 6. BUDGETARY ACCOUNT BREAKOUT

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

SECTION 7. FY 2020-2021 ENCUMBRANCES AND REMAINING GRANT AUTHORIZATIONS REAPPROPRIATED, RECORDING OF ASSIGNMENTS OF AMOUNTS APPROPRIATED FROM FUND BALANCE.

Encumbrances in each fund at June 30, 2021, representing obligations made against 2020-2021 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 2021-2022 budget year as such obligations are satisfied, provided that such encumbrances, when taken together with the FY 2020-2021 expenditures, do not cause any fund to exceed its budgetary authorization for the year ended June 30, 2021.

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 2021-2022 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 2022, are hereby approved.

SECTION 13. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2021. Approved and adopted on the second and final reading this 22nd day of June 2021.



STEPHEN D. MURRAY III, MAYOR

ATTEST:



TRACI GULDNER, CITY CLERK

1ST Reading June 8, 2021

2nd Reading & Adoption June 22, 2021

Reviewed by: William Harvey III, City Attorney, June 2, 2021

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.
- The next step in the normal budget process is for each department to prepare requests for programs, projects and initiatives they would like to have considered for the upcoming budget year. As the City slowly recovers from the affects of COVID-19, this year's budget preparation process began with rolling the FY 2021 approved budget forward and making only those adjustments that were necessary.
- Each department meets individually with the City Manager to review department budget requests and senior management team meet collectively to evaluate budget in total and modify where needed to bring expenditures in line with anticipated revenues. Requests are evaluated to determine their alignment with the strategic goals and the fiscal resources necessary to fund the requests.
- Following these meetings, the City Manager's Office and the Finance Office meet to prepare the draft budget for submission to City Council. Due to COVID-19 impacting much of the budget presentation period and its affects on the economy and future revenue planning, the draft budget was submitted to the Mayor and City Council at formal budget workshops held in May.
- The public has an opportunity to comment on the budget during the Public Hearing and again during first and second reading of the ordinance prior to the adoption of the budget, which takes place during the second reading.
- State law requires the City Council to adopt a balanced budget prior to June 30. Budget amendments are allowed under South Carolina law and are made throughout the year as necessary.

BUDGET CALENDAR

March 22-23, 2021	City Council Retreat on FY 2020-2022 Strategic Plan and shaping the direction for the upcoming year.
March 31, 2021	All departmental Budget Requests completed by close of business
May 18, 2021	City Manager presents FY 2022 Recommended Budget to City Council.
May 21, 2021	Publication date of Public Notice of Public Hearing for FY 2022 Budget
June 8, 2021	Public Hearing on FY 2022 Budget in City Council meeting First Reading on FY 2022 Budget Ordinance in City Council meeting
June 22, 2021	Second Reading and Adoption of FY 2022 Budget Ordinance in City Council meeting



FINANCIAL POLICIES

The City of Beaufort's financial policies are governed by South Carolina state law, the City Charter, and generally accepted accounting principles. These laws, principles and policies describe ways to amend the budget after adoption, provide for budget controls and budget reporting, and identify appropriate methods for budgeting, accounting and reporting.

The City Manager is authorized to transfer any sum from one budget line item to another, or from one department or org to another department or org; provided, however, that no such transfer shall:

1. Be made from one fund to another fund,
2. Conflict with any existing Bond Ordinance, or
3. Conflict with any previously adopted policy of the City Council.

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

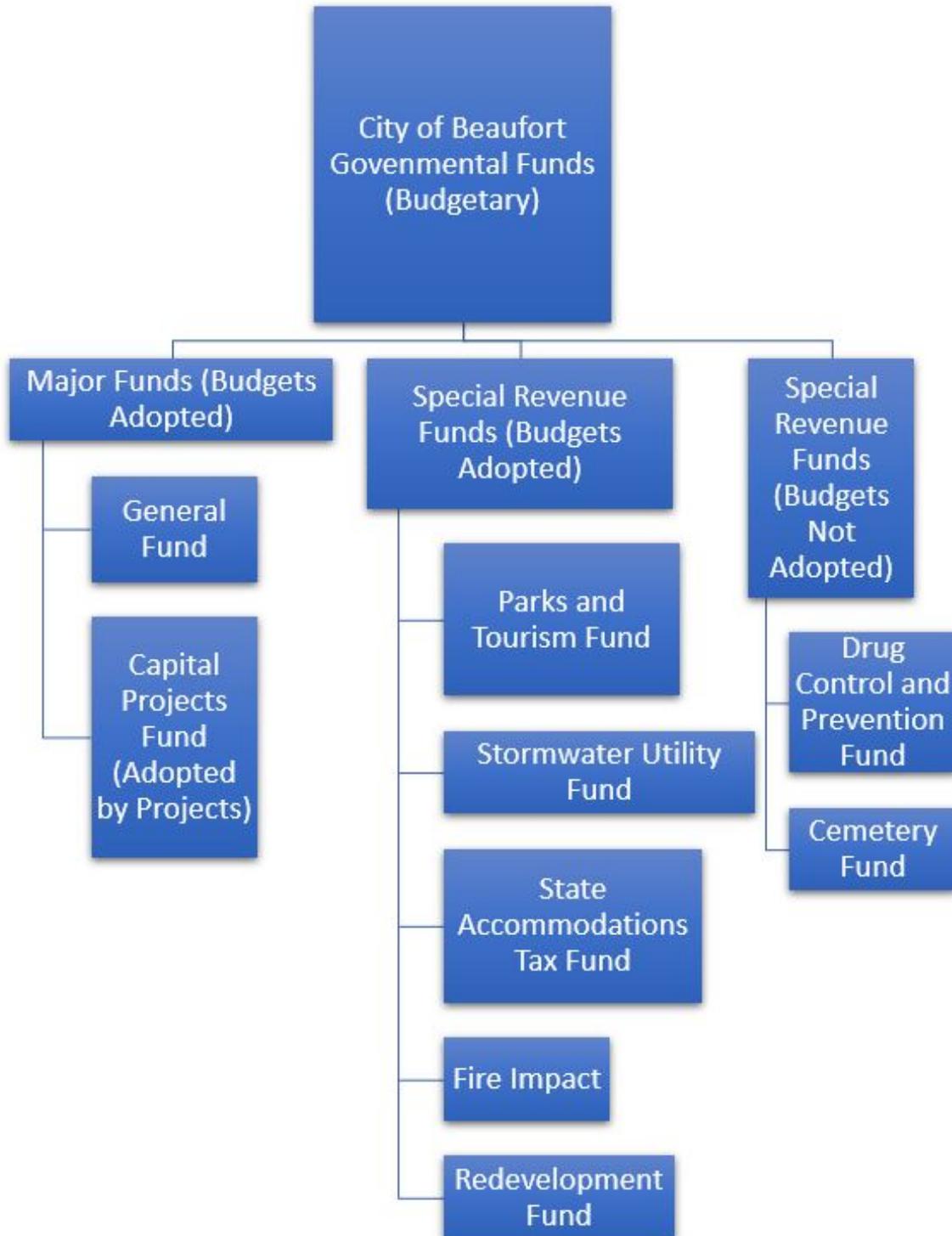
The accounting policies of the City of Beaufort conform to generally accepted accounting principles (GAAP) as applicable for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting principles. The City's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

The accounts of the City are organized on the basis of funds. Each is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

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

Fund Structure



General Fund is the City's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Principle sources of revenue are property taxes, licenses and permits, intergovernmental revenues, and various charges for services such as refuse collection fees. A few of the primary expenditures in the General Fund are public safety (including police and fire services), general government, public works and debt service.

Special Revenue Funds are to report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose other than debt service or capital projects. The Parks and Tourism, Stormwater Utility, State Accommodations, and the Fire Impact are Special Revenue funds budgeted through the City's Budget process. The TIF II Fund will be included in the budget process, but only to the extent of capital equipment and other direct operating costs as all capital infrastructure will be incorporated through the adoption of the Capital Improvement Plan. The Incremental Tax revenue is no longer being collected as of June 30, 2017 and all associated debt of the TIF II Fund has been repaid.

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

- The **Parks and Tourism Fund** accounts for the local hospitality and local accommodations taxes and other revenues that support parks and tourism activities and the related costs.
- The **Stormwater Utility Fund** accounts for the Stormwater Utility charge to properties within the City and all associated costs used for all stormwater utility activities.
- **State Accommodations Tax Fund** accounts for the 2% State Accommodations sales tax from transient room rentals. The expenditures are restricted to tourist related activities as stipulated by State Law.
- The **Fire Impact Fund** accounts for the collection of the Fire Impact Fee and use of these funds is restricted by City Ordinance for capital improvement related Fire services.

The **Capital Projects Fund** accounts for activity related to capital projects of the City.

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

Use of Funds by Departments

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



BUDGET FORMAT

The Operational Budgets are presented in accordance with State Law and the City's fiscal policies for the General Fund, Parks and Tourism Fund, Stormwater Fund, State Accommodations Fund, Fire Impact Fund and Redevelopment Fund.

The Budget Summary for each fund is broken into segments:

- Revenues
- Expenditures
 - Salaries & Benefits
 - Operations which includes: Workers Compensation insurance, consulting services, professional services, utilities, property, vehicle and tort liability insurances, supplies, leased equipment, postage, printing, telephone, travel, and maintenance.
 - Capital Rolling Stock and Stormwater includes vehicles, equipment and Stormwater projects funded by the Stormwater fees.
 - Transfers represents Transfers out of one fund and into another for approved projects.
 - Debt Service represents the payments of principal and interest on the City's Revenue bond, general obligation bond funding and capital leases.

The Capital Project Budget is presented in accordance with City Council's Capital Improvement Plan. The Capital Project Budget is an inception to date budget with projects added and removed based on City Council priorities, availability of funding and completion.



STRATEGIC PLAN 2021-2023 WHERE HISTORY, CHARM, AND BUSINESS THRIVE.

Our Vision

We will ensure that the City of Beaufort offers its citizens broad economic opportunities; housing they can afford; a well-run government; and confidence in the community's preparedness for weather and climate-related impacts. The City seeks this future while maintaining the diversity, authenticity, history, tourism, and balance between the built and natural environment for which our city is renowned.

Key Focus Areas

- **A Safe and Vibrant City**
- **Economic Development and Innovation**
- **Manage Growth and Protect Natural Resources**
- **Organizational Excellence**





A Safe & Vibrant City

To continue to build an authentic, safe, and equitable City, the City will pursue affordable housing opportunities for all segments of the population, will provide responsive public safety, and will improve public spaces.

Objectives

1. Provide opportunities for affordable and workforce housing.
2. Provide accessible public facilities and spaces.
3. Provide strong public safety support.
4. Facilitate unified and coordinated transportation planning.



Economic Development & Innovation

The City will strengthen and diversify its economy, and build employment opportunities, through partnerships and innovation. We will support existing businesses and recruit new businesses as we promote balanced land use, support diverse tourism, and remain an authentic hometown.

Objectives

5. Promote business prosperity and sustainable development.
6. Increase median incomes as we recruit new businesses and industry that are a good fit for Beaufort.
7. Preserve our authenticity.



Manage Growth & Protect Natural Resources

To maintain the City's authenticity and attractiveness, while accommodating future growth and preparing for climate related challenges, the City will evaluate environmental, municipal, and private constraints on growth; will identify commercial and residential areas requiring immediate attention; and will promote balanced growth through infill.

8. Manage growth boundaries.

9. Manage and encourage infill development.

10. Manage annexations.

11. Plan for sea level rise.

Objectives





Organizational Excellence

To provide a transparent, efficient organization, the City will engage its citizens and community and business stakeholders, will integrate technologies which enhance the execution of City functions, will staff the organization with highly qualified personnel, and will provide municipal education opportunities for boards, commission and citizens.

12. Engage community stakeholders.

13. Transparency in City operations.

14. Provide responsive, efficient, and innovative services.

15. Sustainability in finance, infrastructure, and planning.

Objectives



Strategic Plan Breakdown by Department

Key Focus Areas and Objectives

Safe and Vibrant City

- Objective 1
- Objective 2
- Objective 3
- Objective 4

Economic Development

- Objective 5
- Objective 6
- Objective 7

Growth and Natural Resources

- Objective 8
- Objective 9
- Objective 10
- Objective 11

Organizational Excellence

- Objective 12
- Objective 13
- Objective 14
- Objective 15

	City Council	City Manager	Asst City Manager	Finance	Human Resources	Communications	Community & Economic Development	Municipal Court	Police	Fire	Public Works	Downtown Operators
Safe and Vibrant City												
Objective 1						X						
Objective 2	X		X			X				X	X	
Objective 3		X			X			X	X	X		
Objective 4			X			X						X
Economic Development												
Objective 5	X	X	X	X		X	X					
Objective 6		X					X					X
Objective 7	X	X	X	X			X					X
Growth and Natural Resources												
Objective 8	X						X					
Objective 9			X					X	X	X	X	
Objective 10			X			X	X					
Objective 11	X	X	X			X	X					
Organizational Excellence												
Objective 12			X	X		X	X					
Objective 13	X	X	X	X	X	X	X	X	X	X	X	X
Objective 14		X	X		X							
Objective 15	X	X	X	X								

FUND BALANCE

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

The City Council has set a minimum fund balance target of 28% of expenditures and recurring transfers. This 28% goal for unassigned fund balance only amounts to \$5,245,392 for FY 2022. The total estimated fund balance for the General Fund for the year beginning July 1, 2020 is \$8,250,000. No other fund balance policies exist.

A summary of the estimated changes in Fund Balance for FY 2022 follows:

	FY 19 Actual Fund Balance	FY20 Actual Fund Balance	Beginning Fund Balance Estimate	Revenues and Other Sources	Expenditures and Other Uses	Ending Fund Balance Estimate	\$ Change	% Change
General Fund	\$ 7,839,003	\$ 8,104,236	\$ 8,560,000	\$18,392,559	\$ 18,733,544	\$ 8,219,015	\$(340,985)	(4.1)%
Special Revenue Funds:								
State Accommodations Fund	95,235	146,469	200,000	491,686	491,686	200,000	—	— %
TIF II Fund	4,776,113	3,948,032	3,660,000	35,000	—	3,695,000	35,000	0.9 %
Parks and Tourism Fund	727,888	554,471	1,300,000	3,348,631	3,348,487	1,300,144	144	— %
Stormwater Fund	5,844,376	5,229,844	2,420,000	1,129,000	1,125,061	2,423,939	3,939	0.2 %
Fire Impact Fund	—	—	9,000	119,363	70,400	57,963	48,963	84.5 %
Total	\$19,282,615	\$17,983,052	\$16,149,000	\$23,516,239	\$ 23,769,178	\$15,896,061	\$(252,939)	(1.6)%

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, 2021	\$ 104,667,117
Debt Limit - (8% of Total Assessed Value)	8,373,369
Current General Bonded Debt	<u>(884,650)</u>
Legal Debt Margin	<u><u>\$ 7,488,719</u></u>

The following is the City’s breakdown of budgeted principal and interest for FY22 debt payments:

	Principal	Interest	Total
General Obligation Debt	\$ 1,395,000	\$ 487,538	\$ 1,882,538
Revenue Bonds	247,981	61,117	309,098
Capital Leases	313,128	73,370	386,498
Total	<u><u>\$ 1,956,109</u></u>	<u><u>\$ 622,025</u></u>	<u><u>\$ 2,578,134</u></u>

The City’s debt millage rate decreased to 18.0 mils in FY22.



SALARIES

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Increase (Decrease) from Prior Year	% Change
<u>General Fund</u>					
Non Departmental	\$ 1,150	\$ —	\$ —	\$ —	0 %
City Council	30,557	29,751	29,751	—	— %
City Manager	289,886	296,876	330,991	34,116	11.49 %
Finance	479,665	524,519	484,851	(39,668)	(7.56)%
Human Resources	106,942	127,201	180,312	53,110	41.75 %
Municipal Court	268,833	293,226	251,667	(41,559)	(14.17)%
Community and Economic Development	470,409	523,294	560,879	37,586	7.18 %
Police					
Command	2,021,923	2,163,002	2,294,343	131,341	6.07 %
School Resource Officers	248,286	233,786	235,602	1,816	0.78 %
School Crossing Guards	16,086	22,500	15,000	(7,500)	(33.33)%
Victims Rights	66,279	66,585	67,134	549	0.82 %
Beaufort Fire	3,120,767	3,116,967	3,111,950	(5,017)	(0.16)%
Public Works					
Administration	201,758	197,961	162,751	(35,210)	(17.79)%
Streets	136,336	138,139	139,046	908	0.66 %
Facilities Maintenance	147,214	113,190	147,776	34,585	30.56 %
Total General Fund Salaries	<u>\$ 7,606,092</u>	<u>\$ 7,846,997</u>	<u>\$ 8,012,052</u>	<u>\$ 165,055</u>	<u>2.10 %</u>
<u>Parks & Tourism Fund</u>					
City Parks	367,875	344,304	421,426	77,122	22.40 %
Police Support	931,265	825,144	809,163	(15,981)	(1.94)%
Downtown Operations	169,086	171,582	172,021	439	0.26 %
Total Parks & Tourism Salaries	<u>\$ 1,468,226</u>	<u>\$ 1,341,030</u>	<u>\$ 1,402,610</u>	<u>\$ 61,580</u>	<u>4.59 %</u>
<u>Stormwater Fund</u>					
Stormwater	<u>\$ 302,283</u>	<u>\$ 302,083</u>	<u>\$ 314,771</u>	<u>\$ 12,688</u>	<u>4.20 %</u>
<u>State Accommodations Fund</u>					
State Accommodations	<u>\$ 16,618</u>	<u>\$ 17,723</u>	<u>\$ 17,914</u>	<u>\$ 192</u>	<u>1.08 %</u>
Total Salaries	<u>\$ 9,393,219</u>	<u>\$ 9,507,833</u>	<u>\$ 9,747,347</u>	<u>\$ 239,515</u>	<u>2.52 %</u>

FULL-TIME EQUIVALENTS BY FUND

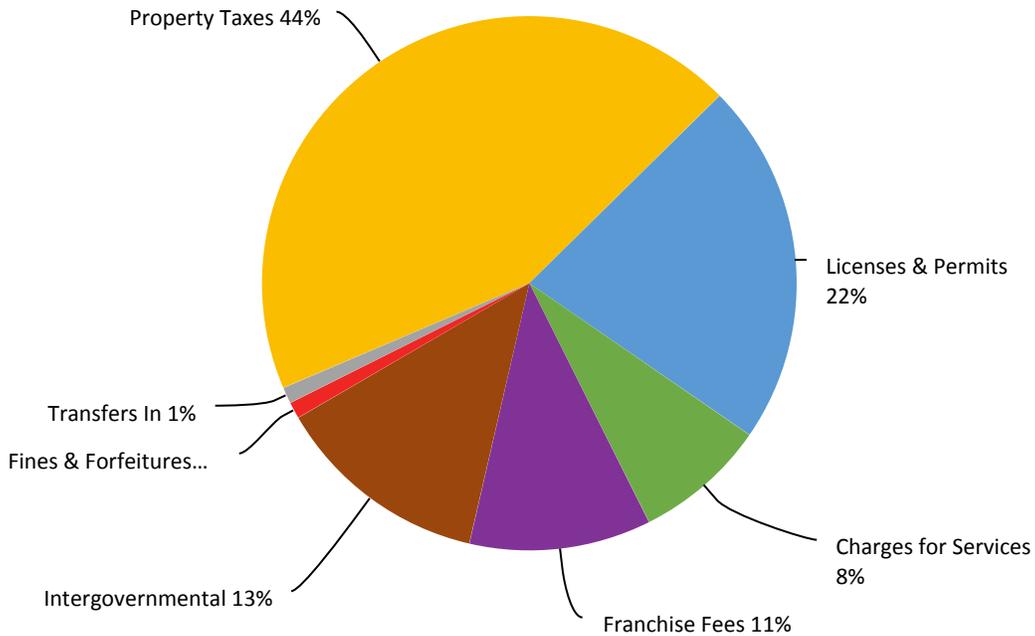
<u>General Fund</u>	<u>FY 2020 Actual FTE's</u>	<u>FY 2021 Adopted FTE's</u>	<u>FY 2022 Adopted FTE's</u>	<u>Change</u>
City Council	5.0	5.0	5.0	—
City Manager	4.0	2.5	3.0	0.5
Finance	8.0	8.0	8.0	—
Human Resources	2.0	2.5	3.0	0.5
Municipal Court	6.0	6.0	5.0	(1.0)
Community and Economic Development	8.0	9.0	9.0	—
Police				—
Command	39.0	39.0	41.7	2.7
School Resource Officer	4.0	4.0	4.0	—
School Crossing Guards	3.0	3.0	2.0	(1.0)
Victims Rights	1.0	1.0	1.0	—
Beaufort Fire	56.5	56.5	56.5	—
Public Works				—
Administration	6.0	5.0	5.0	—
Streets & Traffic Maintenance	3.0	3.0	3.0	—
Facilities Maintenance	4.0	4.0	3.5	(0.5)
Total General Fund Salaries	149.5	148.5	149.7	1.2
<u>Parks and Tourism Fund</u>				
City Parks	8.0	8.0	9.0	1.0
Police Support	21.7	21.7	13.0	(8.7)
Downtown Operations	2.0	3.0	3.0	—
Total Parks and Tourism	31.7	32.7	25.0	(7.7)
<u>Stormwater Fund</u>				
Stormwater Division	6.0	6.0	6.0	—
<u>State Accommodations Fund</u>				
Police Support	0.3	0.3	0.3	—
Total FTE's	187.5	179.8	183.0	3.2

BENEFITS

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Change	% Change
<u>General Fund</u>					
Non Departmental	\$ 2,455	\$ —	\$ —	\$ —	0.0 %
City Council	9,338	10,414	7,607	(2,807)	(27.0)%
City Manager	116,837	103,907	124,464	20,556	19.8 %
Finance	149,526	183,582	174,032	(9,550)	(5.2)%
Human Resources	33,173	44,520	64,073	19,553	43.9 %
Municipal Court	86,402	108,199	98,680	(9,518)	(8.8)%
Community and Economic Development	150,078	193,619	199,525	5,906	3.1 %
Police					
Command	691,794	766,851	850,798	83,947	10.9 %
School Resource Officers	87,120	86,501	102,467	15,966	18.5 %
School Crossing Guards	2,283	7,875	—	(7,875)	(100.0)%
Victims Rights	17,397	23,305	19,116	(4,189)	(18.0)%
Beaufort Fire	1,144,559	1,184,447	1,201,596	17,148	1.4 %
Public Works					
Administration	76,219	75,225	64,673	(10,552)	(14.0)%
Streets	50,013	52,493	54,100	1,607	3.1 %
Facilities Maintenance	44,236	43,012	41,356	(1,656)	(3.9)%
Total General Fund Benefits	\$ 2,661,430	\$ 2,883,952	\$ 3,002,487	\$ 118,537	4.1 %
<u>Parks & Tourism Fund</u>					
City Parks	127,195	150,823	159,210	8,387	5.56 %
Police Support	361,047	294,943	317,418	22,475	7.62 %
Downtown Operations	51,640	65,201	67,440	2,239	3.43 %
Total Parks & Tourism Benefits	\$ 539,882	\$ 510,967	\$ 544,068	\$ 33,101	6.48 %
<u>Stormwater Fund</u>					
Stormwater	\$ 105,511	\$ 111,771	\$ 125,172	\$ 13,401	12.0 %
<u>State Accommodations Fund</u>					
State Accommodations	\$ 7,952	\$ 6,203	\$ 8,502	\$ 2,299	37.1 %
Total Benefits	\$ 3,314,775	\$ 3,512,893	\$ 3,680,229	\$ 167,338	4.76 %

GENERAL FUND REVENUES SUMMARY

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Increase (Decrease) from Prior Year
Property Taxes	\$ 7,389,653	\$ 7,754,527	\$ 8,169,741	\$ 415,214
Licenses & Permits	4,766,245	4,045,000	4,120,000	75,000
Charges for Services	1,304,627	1,404,771	1,403,571	(1,200)
Franchise Fees	1,960,627	2,041,468	2,041,468	—
Intergovernmental	2,849,811	2,495,899	2,365,446	(130,453)
Fines & Forfeitures	89,625	164,000	164,000	—
Interest Income	71,267	40,000	10,000	(30,000)
Miscellaneous	258,893	20,000	20,000	—
Transfers In	48,334	48,750	98,334	49,584
Total General Fund Revenues	\$ 18,739,083	\$ 18,014,415	\$ 18,392,559	\$ 378,144

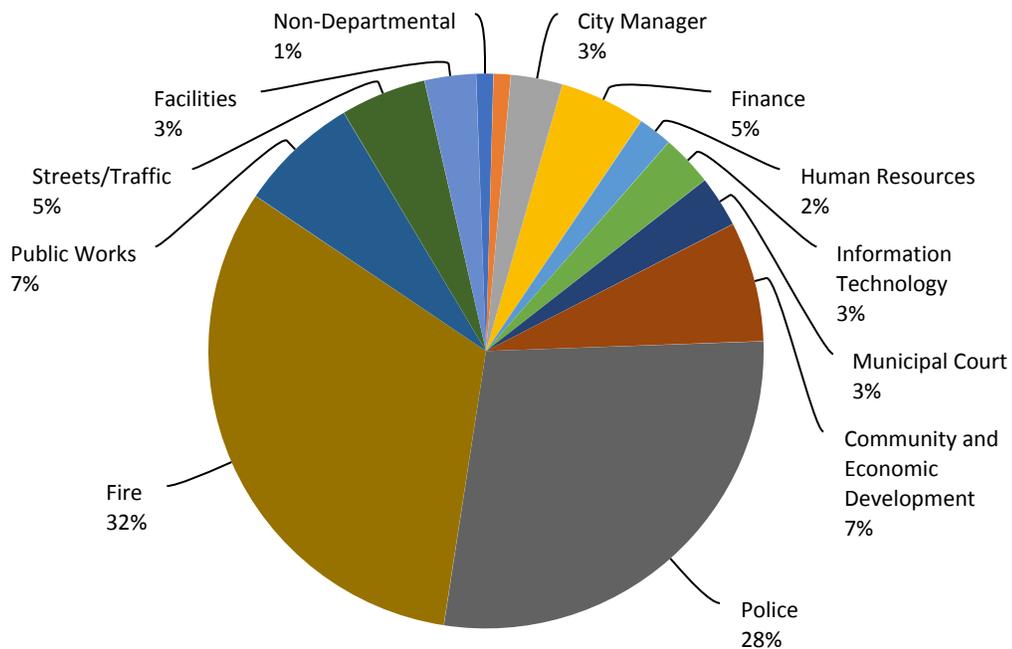


PROPERTY TAXES

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Current Property Taxes	\$ 4,801,229	\$ 5,149,560	\$ 5,631,920
Property Taxes - Debt Mil	1,603,826	1,864,309	1,789,808
Delinquent Property Tax	264,301	136,088	136,088
Penalties & Interest	41,846	33,196	33,196
Vehicle Property Taxes	417,573	337,500	344,855
Homestead Exemption	191,963	191,447	191,447
Motor Carrier	7,640	10,373	10,373
Payment in Lieu	61,276	32,054	32,054
Total Property Taxes	\$ 7,389,653	\$ 7,754,527	\$ 8,169,741
Taxable Assessed Value ¹	\$ 94,844,003	\$ 96,098,425	\$ 104,667,117
Value of Mil	\$ 94,844	\$ 96,098	\$ 104,667

¹ TY 2021 estimated taxable assessed value presented in FY 2022 Adopted budget is estimated based on historical and known growth.

Percentage of Property Tax Revenue to Net Department Expenditures



PROPERTY TAXES (CONTINUED)

- Represents the largest revenue source of the City, or approximately 44.4% of the total revenues.
- Taxable assessed value of real property for tax year 2021 is estimated to be \$88,275,348, a 7.7% growth over the actual ending values for tax year 2020.
- Taxable assessed value of personal property is estimated for tax year 2021 to be \$10,154,561, a 26.8% growth over the actual ending values for tax year 2020. It is estimated that the personal property tax will be most impacted by the COVID-19 pandemic as business sustainability is strained.
- Vehicle taxable assessed value is estimated for tax year 2021 of \$6,237,208, a 2% increase over tax year 2020.
- Total Taxable Assessed Value is estimated at \$104,667,117, an overall increase of \$8,568,692 from FY 2021.
- The growth in taxable assessed value is 8.9% higher than the prior tax year. The estimated millage cap is 3.52% based on CPI and growth in population. The adopted budget includes 3.5% increase in the operating millage and a decrease in the debt millage as follows:
- The FY 2022 Adopted Budget includes:
 - An adopted operating mill of 57.7. This is an increase in property tax operating millage of 1.4 mills or an increase of property tax for operations of \$162,805.
 - The increase in mill value is only applied to the operating mil, raising the operating mill from 56.3 to 57.7 mills.
 - The adopted debt mil decreased by 2.0 mils to 18.0 mils sufficient to cover the debt service payments.
 - An adopted reserve mil of 2 mills to continue to fund for aging infrastructure.
 - An adopted .50 emergency mill to recover lost revenues due to COVID-19.
 - A total adopted mill value of 78.2 mills.

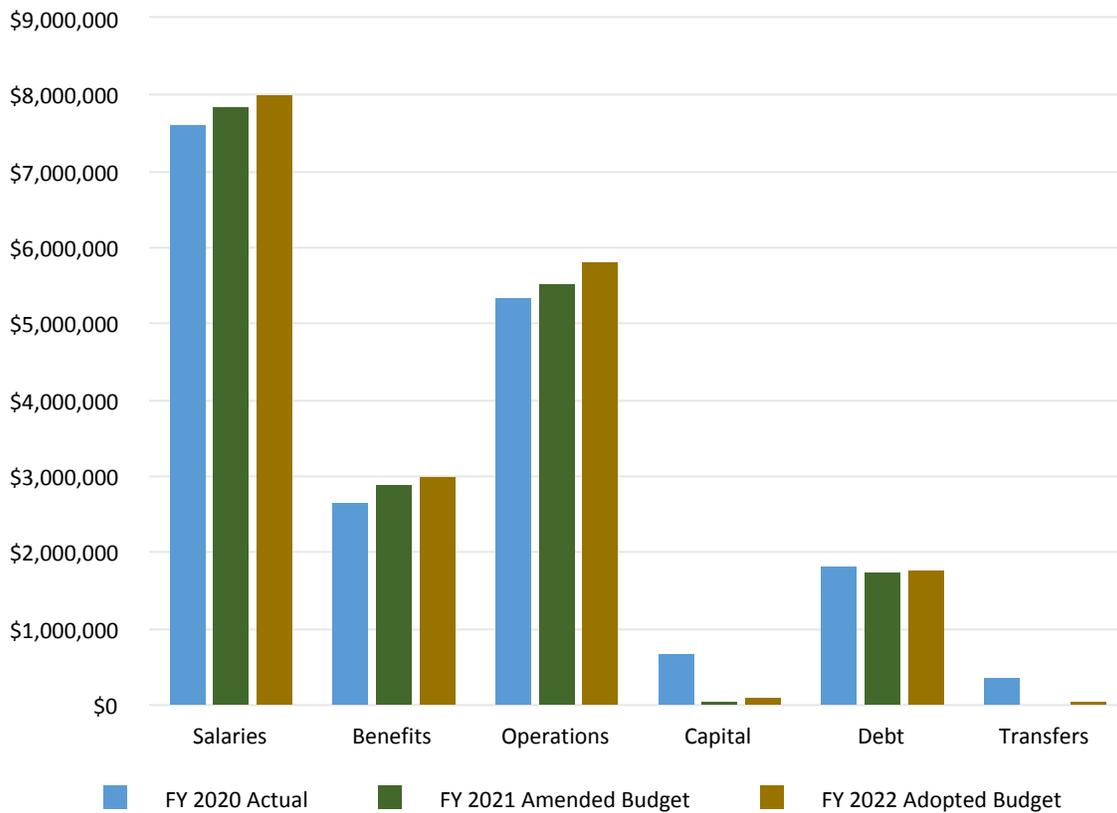
OTHER SIGNIFICANT GENERAL FUND REVENUES

- Licenses and permits are budgeted for an estimated increase of \$75,000 more than FY 2021, which is due to continuing development within the City and the associated permits issued.
- Charges for services is budgeted for \$1,200 less than FY 2021.
 - The FY 2022 budget includes an increase in residential refuse collection fee from \$16.20 per month to \$20.00 per month to cover the increase in the cost of providing the service to our residents. The last rate increase occurred in FY 2014.
- Intergovernmental revenues decreased \$130,453 due to the close out of the SAFER grant.
 - Includes \$1,956,089 for fire services, \$10,000 for court services and \$55,000 for building inspection services provided to the Town of Port Royal.
- All other General Fund revenues such as interest income, miscellaneous and transfers in are budgeted for a total of \$19,584 more than FY 2021. All other revenue sources are estimated to remain at the FY 2021 levels as the recovery from COVID-19 begins.



GENERAL FUND EXPENDITURES

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	\$ Change	% Change
Salaries	\$ 7,606,092	\$ 7,846,997	\$ 8,012,052	165,055	2.10 %
Benefits	2,661,430	2,883,949	3,002,487	118,538	4.11 %
Operations	5,336,908	5,538,624	5,815,181	276,557	4.99 %
Capital	675,716	53,430	100,787	47,357	88.63 %
Debt	1,830,772	1,755,057	1,761,537	6,480	0.37 %
Transfers	362,930	—	41,500	41,500	— %
Total Expenditures	\$ 18,473,849	\$ 18,078,057	\$ 18,733,544	655,487	3.63 %



GENERAL FUND EXPENDITURES BY DEPARTMENT

	<u>FY 2020 Actual</u>	<u>FY 2021 Amended Budget</u>	<u>FY 2022 Adopted Budget</u>	<u>Change</u>	<u>% Change</u>
<u>Non Departmental</u>					
Salaries	\$ 1,150	\$ —	\$ —	\$ —	0.0 %
Benefits	2,455	—	—	—	— %
Operations	237,989	183,610	183,610	—	0.0 %
Capital	471,512	—	—	—	— %
Transfers Out	362,930	—	41,500	41,500	100 %
Total Non Departmental	\$ 1,076,036	\$ 183,610	\$ 225,110	\$ 41,500	22.6 %
<u>City Council</u>					
Salaries	\$ 30,557	\$ 29,751	\$ 29,751	\$ —	0.0 %
Benefits	9,338	10,413	7,607	(2,806)	(26.9)%
Operations	214,191	78,951	78,951	—	0.0 %
Total City Council	\$ 254,086	\$ 119,115	\$ 116,309	\$ (2,806)	(2.4)%
<u>City Manager</u>					
Salaries	\$ 289,886	\$ 296,876	\$ 330,991	\$ 34,116	11.5 %
Benefits	116,837	103,907	124,465	20,557	19.8 %
Operations	104,345	68,546	88,546	20,000	29.2 %
Total City Manager	\$ 511,068	\$ 469,329	\$ 544,002	\$ 74,673	15.9 %
<u>Finance & Information Technology</u>					
Salaries	\$ 479,665	\$ 524,519	\$ 484,851	\$ (39,668)	(7.6)%
Benefits	149,526	183,582	174,032	(9,550)	(5.2)%
Operations	715,208	627,897	683,625	55,728	8.9 %
Total Finance & Information Technology	\$ 1,344,399	\$ 1,335,998	\$ 1,342,507	\$ 6,510	0.5 %

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Change	% Change
<u>Human Resources</u>					
Salaries	\$ 106,942	\$ 127,201	\$ 180,312	\$ 53,110	41.8 %
Benefits	33,173	44,520	64,073	19,553	43.9 %
Operations	110,032	86,837	86,837	—	0.0 %
Total Human Resources	\$ 250,147	\$ 258,558	\$ 331,222	\$ 72,664	28.1 %
<u>Municipal Court</u>					
Salaries	\$ 268,833	\$ 293,226	\$ 251,667	\$ (41,559)	(14.2)%
Benefits	86,402	108,199	98,680	(9,518)	(8.8)%
Operations	111,139	92,339	145,642	53,303	57.7 %
Total Municipal Court	\$ 466,375	\$ 493,764	\$ 495,989	\$ 2,226	0.5 %
<u>Community and Economic Development</u>					
Salaries	\$ 470,409	\$ 523,294	\$ 560,879	\$ 37,586	7.2 %
Benefits	150,078	193,619	199,525	5,906	3.1 %
Operations	268,650	274,830	391,299	116,469	42.4 %
Total Community and Economic Development	\$ 889,138	\$ 991,743	\$ 1,151,703	\$ 159,961	16.1 %
<u>Police</u>					
Salaries	\$ 2,352,574	\$ 2,485,874	\$ 2,612,079	\$ 126,205	5.1 %
Benefits	798,593	884,532	972,381	87,850	9.9 %
Operations	782,999	1,113,542	1,174,422	60,880	5.5 %
Capital Outlay	70,121	24,930	24,930	—	0.0 %
Total Police	\$ 4,004,288	\$ 4,508,877	\$ 4,783,812	\$ 274,935	6.1 %

GENERAL FUND EXPENDITURES BY DEPARTMENT (CONTINUED)

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget	Change	% Change
<i>Fire</i>					
Salaries	\$ 3,120,767	\$ 3,116,967	\$ 3,111,950	\$ (5,017)	(0.2)%
Benefits	1,144,559	1,184,447	1,201,596	17,148	1.4 %
Operations	1,073,726	1,167,462	1,167,462	—	0.0 %
Capital Outlay	86,111	—	—	—	0.0 %
Debt	83,616	—	—	—	0.0 %
Total Fire	\$ 5,508,778	\$ 5,468,876	\$ 5,481,008	\$ 12,132	0.2 %
<i>Public Works</i>					
Salaries	\$ 485,309	\$ 449,290	\$ 449,573	\$ 283	0.1 %
Benefits	170,467	170,730	160,129	(10,601)	(6.2)%
Operations	1,766,601	1,873,111	1,890,643	17,532	0.9 %
Total Public Works	\$ 2,422,377	\$ 2,493,131	\$ 2,500,345	\$ 7,213	0.3 %
<i>General Obligation Debt</i>					
Principal	\$ 1,333,771	\$ 1,369,499	\$ 1,413,128	\$ 43,629	3.2 %
Interest	413,385	385,558	348,409	(37,149)	(9.6)%
Total General Obligation Debt	\$ 1,747,156	\$ 1,755,057	\$ 1,761,537	\$ 6,480	0.4 %
Total General Fund Expenditures	\$ 18,473,849	\$ 18,078,057	\$ 18,733,544	\$ 655,487	3.6 %

GENERAL FUND EXPENDITURES SUMMARY

- Due to the financial impact of COVID-19, many of the new goals and initiatives contemplated and planned for FY 2021 have been postponed as a result of funding limitations. Therefore, Department Goals and Initiatives will remain at the FY 2020 level, unless they were completed during FY 2020. These goals and initiatives are linked to the existing adopted Strategic Plan of City Council.
- Salaries in the general fund increased \$165,055 which is primarily a result of the inclusion of a 2% merit allocation for each department to support performance evaluations of personnel. The total increase in salaries for merit allocations totals \$225,943.
- Benefits in the general fund increased \$118,539 which is primarily a result of a 1% increase in State Retirement and changes to benefit selections of personnel.
- Operations increased by \$276,556 or 5% and are highlighted as follows:
 - \$20K increase in City Manager operations to cover the cost of the consultant responsible for developing the Local Option Sales Tax educational campaign.
 - \$53K increase in Municipal Court to cover cost of public defender increases and contractual service for judicial services.
 - Community & Economic Development increase of \$116,469 to cover costs of Historic Review Board and Development Review Board outsourced contract and the Comprehensive Plan update.
 - Police operations increased \$60,881 to cover additional leased vehicles as older police vehicles are retired from service of \$54,947 and additional contractual services totaling \$5,934 for the transport service of mental health patients.
 - Public Works increased \$17,532 to cover the cost of vehicles replaced through the leasing program.
- Capital increased by \$47,357 to cover the Information Technology upgrades to non supported equipment in order to maintain the existing technology infrastructure.
- Transfers out increased by \$41,500 to cover the cost of updates to the parking meters in the Downtown area. There is a corresponding transfer to the Parks and Tourism Fund where the cost will be reported.
- Planned use of committed fund balance for vehicles and equipment totaling \$212,594 for the vehicles under capital lease, the technology upgrades and the upgrades to the parking meters and planned use of committed fund balance for redevelopment to cover the lease payment of the Fire Station on SC 170 totaling \$128,392.

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.



A Safe & Vibrant City

Objective 2: Provide accessible public facilities and spaces (City Council)

Initiative 2.5 – Support expansion of the Reconstruction Era National Historical Park as Beaufort seeks to become the center for the exploration of Reconstruction history.

- Performance Measures: Facilitate Boards and Commissions review of National Park projects.

Objective 3: Provide strong public safety support (City Manager)

Initiative 3.1 – Maintain Service Levels for Police, Fire, Public Works

- Performance Measures: Insure required staffing and equipment are available to the departments. Quarterly report by Department Heads.

Initiative 3.4 – Develop strategies for diversity in recruiting and management

- Performance Measures: Establish this as a key goal for the Human Resources Department and have a year-end report provided. Conduct at least 2 management educational sessions.

Objective 4: Facilitate unified and coordinated transportation planning (City Manager)

Initiative 4.2 Update Street Infrastructure Plan.

- Performance Measures: Prepare a report on condition of all City owned streets.

Initiative 4.3 Evaluate Parking and Shuttle Service

- Performance Measures: Complete a parking plan for the downtown that will handle the parking needs for the next 5-10 years. In addition, study the need for public transportation within the city considering the growing needs of our current employers, colleges, schools, and residents.





Economic Development & Innovation

Objective 5: Promote business prosperity and sustainable development

Initiative 5.1 –Provide a collaborative environment by engaging partners, including the Beaufort County Economic Development Corporation (BCECD), the Greater Beaufort-Port Royal Convention & Visitors Bureau, the Beaufort County Black Chamber of Commerce, the Beaufort Regional Chamber of Commerce, the Beaufort Digital Corridor, the Beaufort Area Hospitality Association, the South Coast Cyber Center, and the Downtown Beaufort Merchants Association as we work toward building a vibrant and sustainable economy. Continue to work with landowners on business recruitment and ensure the balanced administration of the Beaufort Code. (City Council)

- Performance Measures: Continue Council Members liaison with their respective boards and Commercial business starts.

Initiative 5.2 Publish a Quarterly State of the Business Community Report (City Manager)

- Performance Measures: Publish the report quarterly and provide data on business licenses, employment, and revenue.

Initiative 5.4 Increase the awareness and use of Pride of Place, an initiative to beautify and improve Beaufort through private donations. (City Manager)

- Performance Measures: Provide a report semi-annually that shows total donations, what they were for and what was expended to date.

Initiative 5.6 – Provide funding for the Beaufort Digital Corridor and South Coast Cyber Center through leveraging private partnerships. (City Council)

- Performance Measures: Budget approvals for funds and liaison support.

Objective 6: Increase median incomes as we recruit new businesses and industries that are a good fit for Beaufort (City Manager)

Initiative 6.1 Partner with BCEDC on prospect development and the recruitment of new businesses to the City.

- Performance Measures: New businesses, new tenants, and/or new property owners – list will be provided.

Initiative 6.3 Development of Operations Plan for Landing Pad located on second floor of 500 Carteret Street.

- Performance Measures: Complete the upfit and have an active operations plan that is shared with BCEDC.

Objective 7: Preserve our authenticity

Initiative 7.2 Leverage Beaufort 2030 futurism exercise to continue to influence and support education needs. (City Manager)

- Performance Measures: Active participation with Beaufort County School System, USCB, TCL, Beaufort Memorial Hospital, and the Charter schools in our area.

Initiative 7.4 Collaborate with the National Park Service, Beaufort History Museum, and other historical and other preservation groups to promote and protect the Beaufort story and heritage. (City Council and City Manager)

- Performance Measures: Provide support as needed, such as Public Relations assistance, meeting space, and staff support.



Growth & Natural Resources

Objective 8: Manage growth boundaries (City Council)

Initiative 8.1 – Manage Northern Regional Plan growth boundaries.

- Performance Measures: Liaison with the Northern Regional Plan Implementation Committee (NRPIC). Manage annexation requests in the growth boundaries and report the number of successful annexations.

Objective 11: Plan for sea-level rise (City Council and City Manager)

Initiative 11.2 – Engage community and other stake holders in discussion, plans and actions related to sea-level rise.

- Performance Measures: Set the stage for Army Corps of Engineers 3 x 3 study, and continue active Public Relations Program.



Organizational Excellence

Objective 13: Transparency in City Operations

Initiative 13.1 – Continue live-streaming of all boards, commissions, and public meetings; encourage public comment through Zoom, Facebook, email, and traditional means. (City Council)

- Performance Measures: Monitor public participation.

Initiative 13.2 Develop a digital dashboard to show progress on initiatives. (City Manager)

- Performance Measures: the development of a digital dashboard linked to the strategic plan to show progress.

Objective 14: Provide responsive, efficient and innovative services

Initiative 14.1 Recruit and retain a diverse, educated, and high-performing workforce. (Human Resources)

- Performance Measures: Develop a diversity strategy and measure results in employment recruiting and retention.

Initiative 14.3 Find ways to make operations more efficient by sharing services, internally, or regionally. (City Manager)

- Performance Measures: New partnerships and documented system improvements.

Objective 15: Sustainability in Finance, Infrastructure, and Planning

Initiative 15.1 – Advocate for a change in state legislation concerning the local government fund, changes in Act 388 to allow for local autonomy in taxing, and support the addition of Local Option Sales Tax in Beaufort County. (City Council and City Manager)

- Performance Measures: Continue advocacy for municipal revenue interests and passage of referendum for LOST on November ballot.

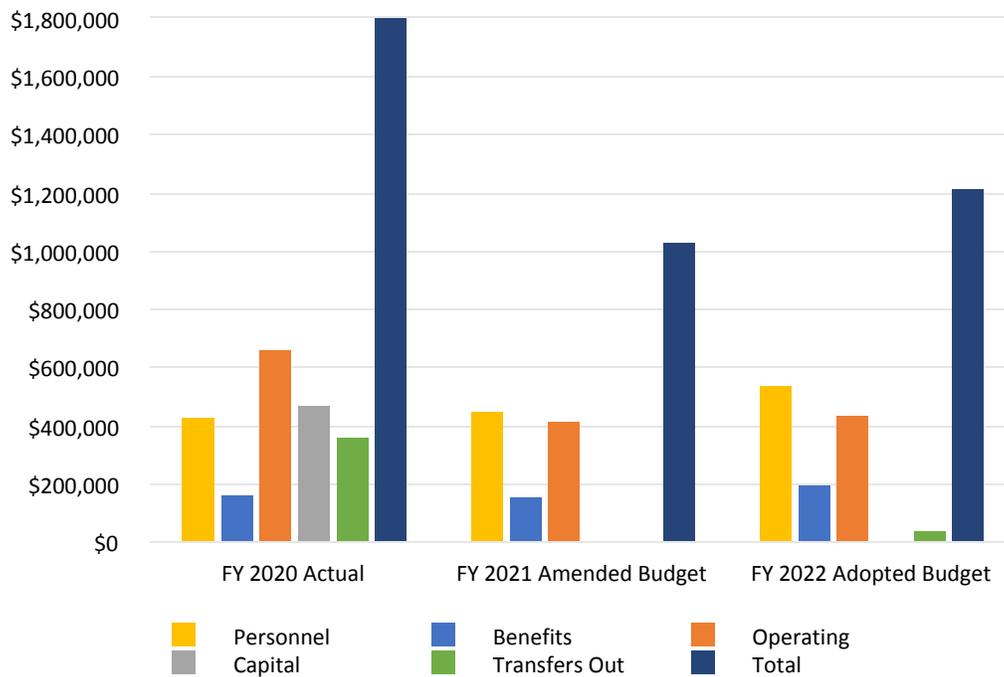
Initiative 15.5 Provide data connected to project in one place.

- Performance Measures: Explore use of OpenGov or other software to help in story boarding our projects.



Department Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Department Summary			
Non-Departmental	\$ 1,076,036	\$ 183,610	\$ 225,110
City Council	254,087	119,115	116,309
City Manager	511,069	469,329	544,002
Human Resources	250,146	258,558	331,222
Total	<u>\$ 2,091,339</u>	<u>\$ 1,030,612</u>	<u>\$ 1,216,642</u>
Category			
Personnel	\$ 428,535	\$ 453,828	\$ 541,053
Benefits	161,804	158,840	196,145
Operating	666,559	417,943	437,944
Capital	471,512	—	—
Transfers Out	362,930	—	41,500
Total	<u>\$ 2,091,339</u>	<u>\$ 1,030,612</u>	<u>\$ 1,216,642</u>





This page intentionally left blank.

Finance and Information Technology Department

Department Mission Statement

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



Organizational Excellence

Objective 13: Transparency in City Operations

Initiative 13.3 – Promote availability of financial transparency tool

- Performance Measures: The Financial transparency tool through Open Gov has been established for several years but linking specific financial objectives and data elements have not yet been identified that can be linked to departmental initiative to enhance the performance measure reporting and the overall transparency of the City. This objective requires collaboration between departments, communications, and finance.

Objective 15: Sustainability in finance, infrastructure and planning

Initiative 15.2 – Include Strategic Plan in annual budget document.

- Performance Measures: The Strategic Plan will be incorporated into the FY 2022 Budget Book and utilizing the Open Gov Story platform, develop a summary version of the FY 2022 budget that flows from the Strategic Plan.

Initiative 15.3 – Tie all capital purchases to identified initiatives in Strategic Plan.

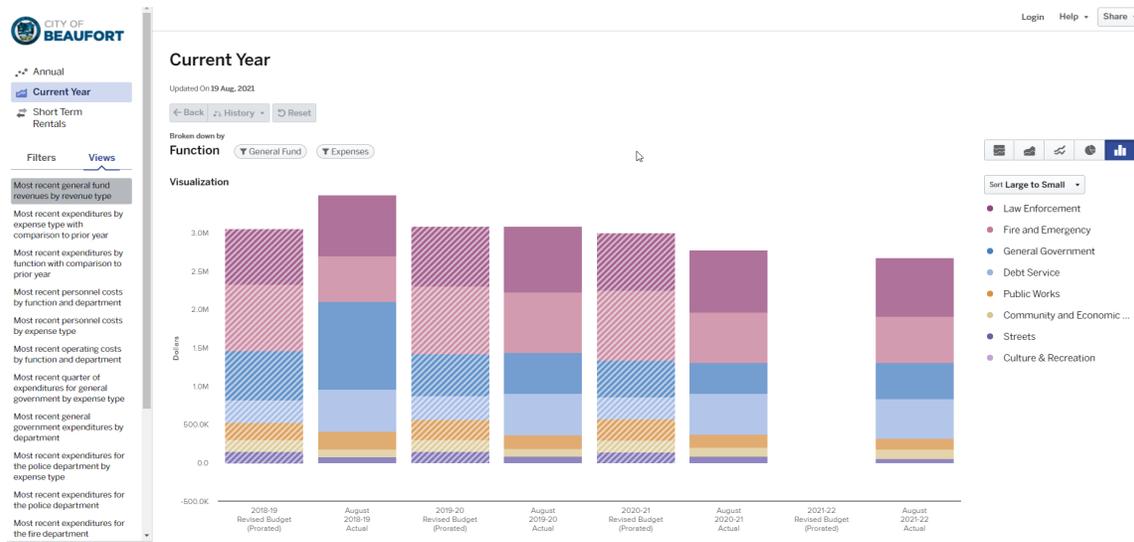
- Performance Measures: In coordination with City Council, the City Manager and the Director of Public Project, the Capital Improvement Plan was updated in FY 2021 and a part of the FY 2021 Adopted Budget. This process is being undertaken again to update the Plan and as supported by the Strategic Plan.

Initiative 15.4 – Increase efficiency in online payment receipt and processing.

- Performance Measures: This initiative has been met and continues to grow in volume, especially considering COVID-19. Because the City Finance department has moved much of the functionality of the department to automated processes, when COVID-19 impacted operations, the Finance Department continued to process application, payments and vendor payments without missing a beat. When other local governments were struggling because many of their processes could not be performed remotely, our Finance team, including Business License continued to provide seamless services to our customers.

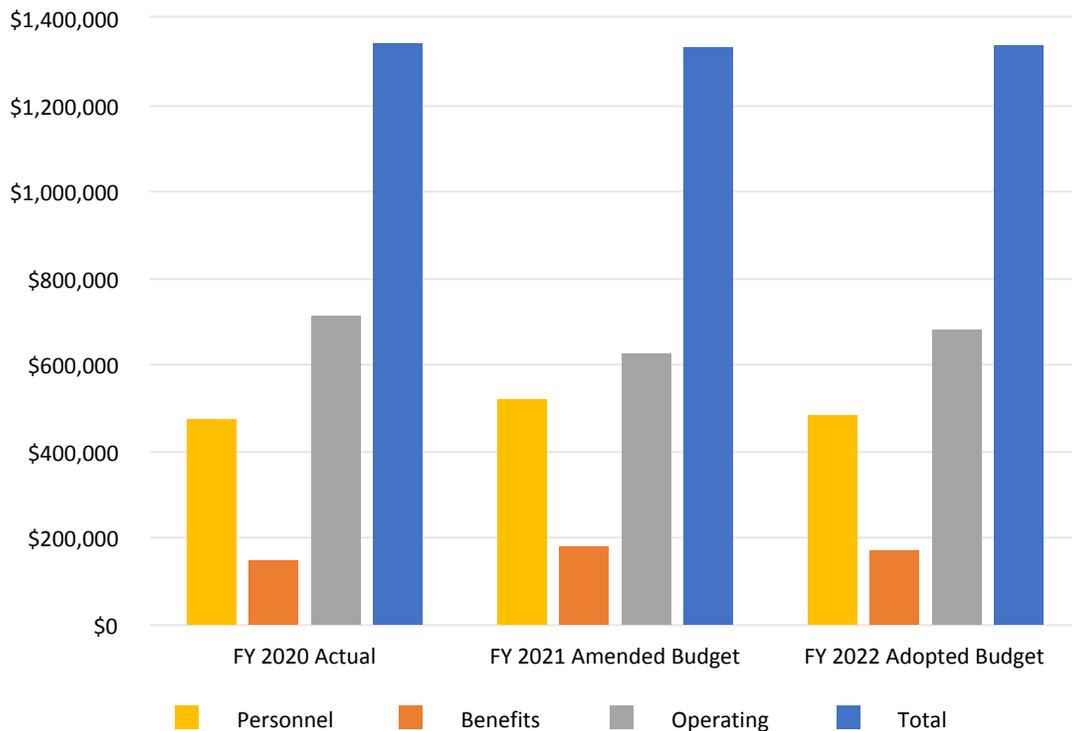
Initiative 15.5 – Capture data connected to projects in one place

- Performance Measures: This initiative has not been met yet due to staff time to develop the Open Gov stories and develop the charts related to project status and benchmarks.



Department Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Department Summary			
Finance	\$ 890,994	\$ 887,309	\$ 883,444
Information Technology	453,405	448,690	459,064
Total	\$ 1,344,399	\$ 1,335,999	\$ 1,342,508
Category			
Personnel	\$ 479,665	\$ 524,519	\$ 484,851
Benefits	149,526	183,582	174,032
Operating	715,208	627,897	683,625
Total	\$ 1,344,399	\$ 1,335,999	\$ 1,342,508





This page intentionally left blank.

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.



Organizational Excellence

Objective 14: Provide responsive, efficient and innovative services

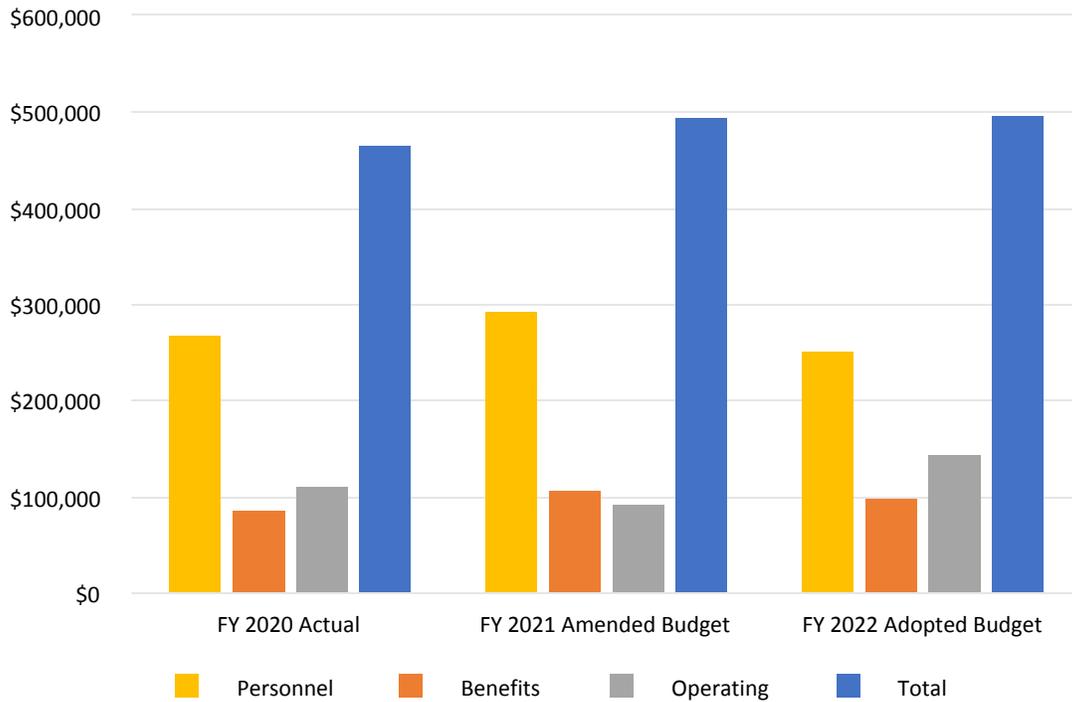
Initiative 14.3 – Continue to find ways to make operations more efficient.

- Performance Measures: Continue bench trials and adjudicate current backlog of cases caused by COVID-19 restrictions.
- Performance Measures: Resuming jury trials and reduce the current backlog of cases caused by COVID-19 restrictions.
- Performance Measures: Continue staffing Municipal Bond Court hearings twice a day, everyday while exploring other alternatives.



Department Expenditures

Category	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Personnel	\$ 268,833	\$ 293,226	\$ 251,667
Benefits	86,402	108,199	98,680
Operating	111,139	92,339	145,642
Total	\$ 466,375	\$ 493,765	\$ 495,989



Community and Economic Development Department

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



A Safe & Vibrant City

Objective 1: Pursue opportunities for affordable and workforce housing

Initiative 1.1- Implement recommendations from the Affordable Housing Task Force.

- The department participated in the Affordable Housing Task Force, which has forwarded to city council a synopsis of subjects studied, and a list of recommendations for consideration.

Initiative 1.2- Work with landowners on developing economically viable multifamily housing through permitting a wide range of housing types with engaged stakeholders.

- The department has provided a zoning assessment and maps in support of a possible Beaufort Housing Authority initiative.
- The department has provided professional guidance of city zoning ordinances and incentives to developers seeking to qualify for State-funded affordable housing assistance.
- One of the Affordable Housing TF recommendations is to expand the zoning districts which allow duplexes, triplexes, and row homes.

Initiative 1.3- Conserve and reuse historic structures.

- The department continues to support the HRB and work in conjunction with the HBF to protect the historical integrity of the city.
- The department is the technical lead for the update of the Beaufort preservation manuals and guides.

Objective 2: Provide accessible public facilities and spaces

Initiative 2.3- Review for implementation the Southside Park Plan.

- The department is participating in the Southside Park task force to chart the course for future enhancements.

Initiative 2.5- Support the expansion of the Reconstruction Era National Historical Park as Beaufort seeks to become the center for the exploration of Reconstruction history.

- The department is supporting the expansion of the Reconstruction Era National Park by working with the proponent to obtain the necessary zoning approvals.

Objective 4: Facilitate unified and coordinated transportation planning

Initiative 4.1- Continue to participate in the Lady's Island planning process.

- The department participates in the Lady's Island Plan Implementation Committee, its preservation committee (temporarily on hiatus), and its Village Center Task Force.

Initiative 4.4- Create a connectivity study of pedestrian/bicycle paths with the goal of enhancing pedestrian/bicycle access throughout the city, paying special attention to connecting schools, civic spaces, and places of employment.

- The department has provided the Beaufort County Bike and Pedestrian Pathway Task Force with the priority connections and extensions in the city.



Economic Development & Innovation

Objective 6: Increase median incomes as we recruit new businesses and industries that are a good fit for Beaufort

Initiative 6.1- Partner with the BCEDC on prospect development, land transactions, and site and building development in Beaufort Commerce Park.

- The department provided technical land use analyses for the Beaufort County Economic Development Corporation. [Speculative Building, Building Pad]



Growth & Natural Resources

Objective 8: Manage growth boundaries

Initiative 8.1- Manage Northern Regional Plan growth boundaries.

- The department has continued to update the city's comprehensive plan. It has completed an assessment of the goals/objectives from the Strategic Plan, Civic Master Plan, and the 2009 Comprehensive Plan. We are currently analyzing and presenting demographic, economic, and land use data.

Objective 9: Manage and encourage infill development

Initiative 9.2- Update the Beaufort Preservation Manual from 1979, known as the Milner Report.

- The department is the technical lead for the update of the Beaufort preservation manuals and guides.

Initiative 9.3- Update the survey of above-ground structures in the Historic District.

- The department has contracted with Milner to update the contributing structures list.

Objective 10: Manage Annexation

Initiative 10.1- Focus annexation efforts on parcels surrounded by city limits and contingent properties in Tax District 100.

- The department has recently facilitated six annexations.

Objective 11: Plan for sea level rise

Initiative 11.1- Discourage development in hazard zones.

- The department has provided a draft amended Flood Damage Prevention Ordinance, which is the necessary update to meet new FEMA requirements, and City Council has passed the adoption-ordinance.

Initiative 11.3- Develop mitigation and implementation strategies.

- The department has purchased a tidal gauge through a Sea Island Consortium grant program. This will provide more accurate sea level data for our area.



Organizational Excellence

Objective 12: Engage community stakeholders

Initiative 12.3- Increase use of surveys to gather more input from community on important issues.

- Together with the city's communication manager, the department has deployed a web-based community input platform (currently being used to garner public input on the comprehensive plan).

Objective 13: Transparency in City Operations

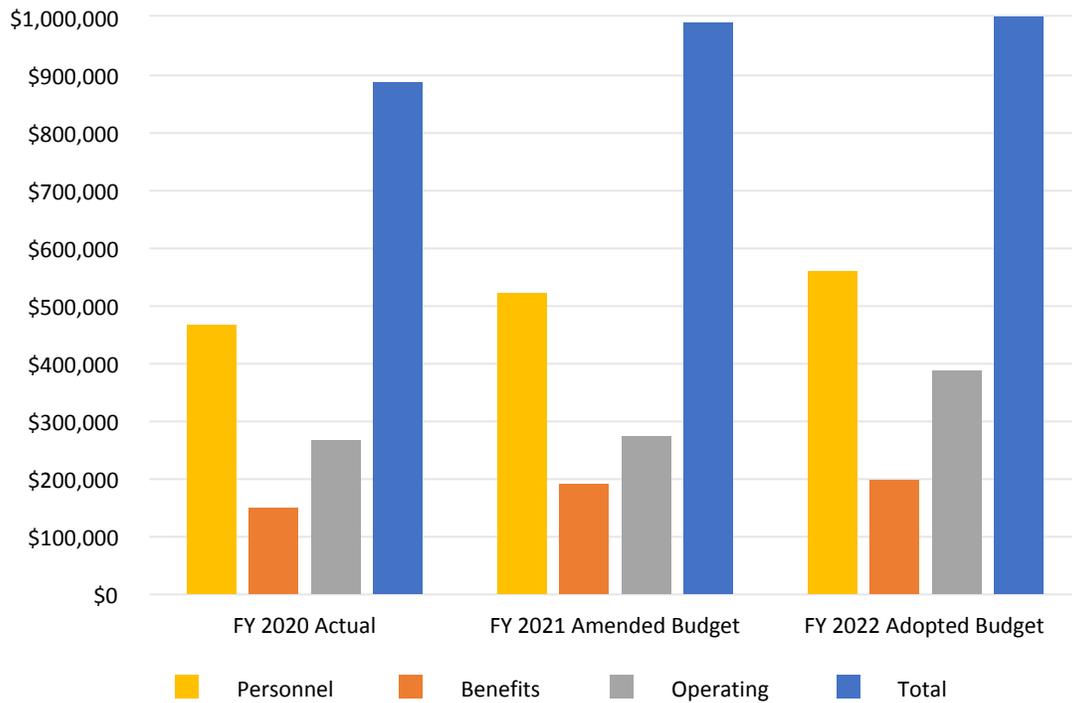
Initiative 13.4- Develop mitigation and implementation strategies.

- The department has purchased a tidal gauge as part of a Sea Island Consortium grant. This will provided more accurate data on sea levels for the city.



Department Expenditures

Category	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Personnel	\$ 470,409	\$ 523,294	\$ 560,879
Benefits	150,078	193,619	199,525
Operating	268,650	274,830	391,299
Total	\$ 889,138	\$ 991,743	\$ 1,151,703



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.



A Safe & Vibrant City

Objective 3: Provide strong public safety support

Initiative 3.1- Maintain service level provisions for Police, Fire, and Public Works departments.

- Performance Measures: The Police Department will continue to publish monthly statistics that include numbers and types of calls for service and the types of offenses reported. These reports will also indicate officer activity.

Initiative 3.2- Continue to publish law enforcement and firefighting data on website and social media.

- Performance Measures: The police department publishes monthly statistics which include types of calls on the City of Beaufort Website and also published it's annual report.



Growth & Natural Resources

Objective 10: Manage annexation

Initiative 10.2- Expand delivery of services within the growth boundaries of the City.

- Performance Measures: The police department makes every effort to keep response times to a minimum with the city limits. We continue to work closely with other law enforcement agencies to provide the best coverage possible.



Organizational Excellence

Objective 13: Transparency in City Operations

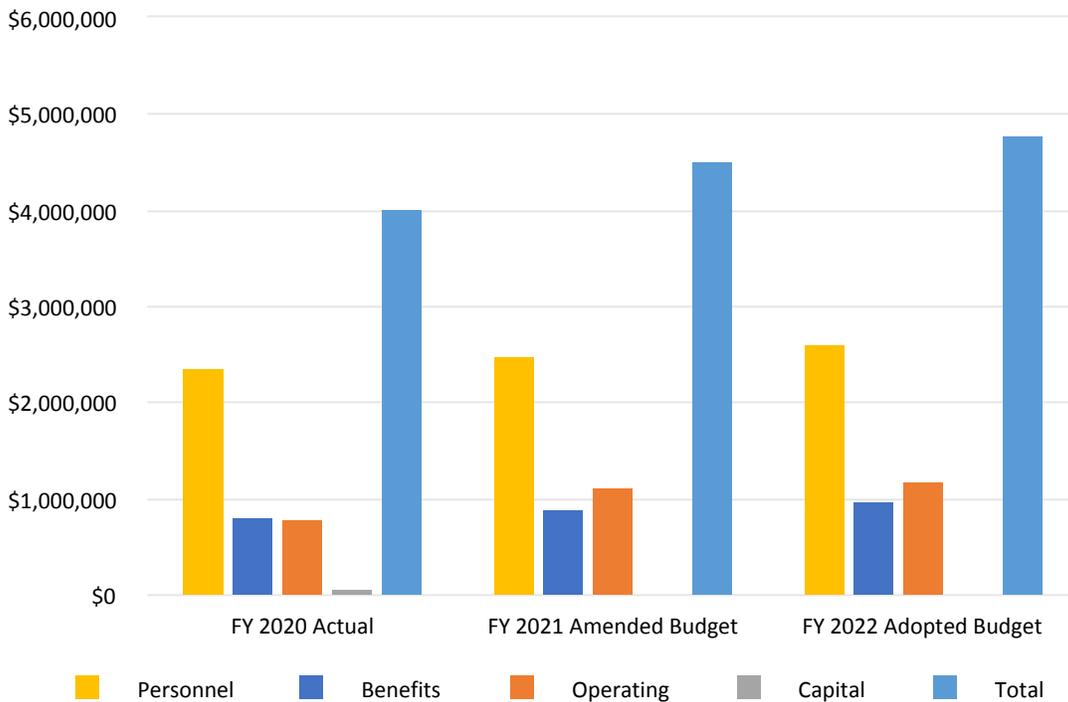
Initiative 13.2- Develop digital dashboards to show progress on City initiatives.

- Performance Measures: The police department will continue to publish enforcement demographics on a monthly basis and will continue to look for more ways to expand information provided in the future.

Department Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Department Summary			
Police	\$ 3,547,685	\$ 4,026,509	\$ 4,338,368
School Resource Officers	352,233	357,097	333,309
School Crossing Guards	18,920	30,926	27,712
Victim Advocate	85,449	94,346	84,424
Total	<u>\$ 4,004,288</u>	<u>\$ 4,508,878</u>	<u>\$ 4,783,813</u>

Category	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Personnel	\$ 2,352,574	\$ 2,485,874	\$ 2,612,079
Benefits	798,593	884,532	972,381
Operating	782,999	1,113,542	1,174,423
Capital	70,121	24,930	24,930
Total	<u>\$ 4,004,288</u>	<u>\$ 4,508,878</u>	<u>\$ 4,783,813</u>





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.



A Safe & Vibrant City

Objective 3: Provide strong public safety support

Initiative 3.1 – Maintain service level provisions for the Police, Fire, and Public Works departments.

- Performance Measures: The fire department tracks and reports through social media weekly run statistics and response times city wide.

Initiative 3.2 – Continue to publish law enforcement and firefighting data on website and social media.

- Performance Measures: The fire department published data to social media weekly. Publishing of website data is set to being this year.



Growth & Natural Resources

Objective 10: Manage annexation

Initiative 10.2– Expand delivery of services within the growth boundaries of the City.

- Performance Measures: The fire department remains a willing participant in discussions with Beaufort County in creating efficiencies in emergency service delivery within the growth boundaries of the City of Beaufort and Town of Port Royal.



Organizational Excellence

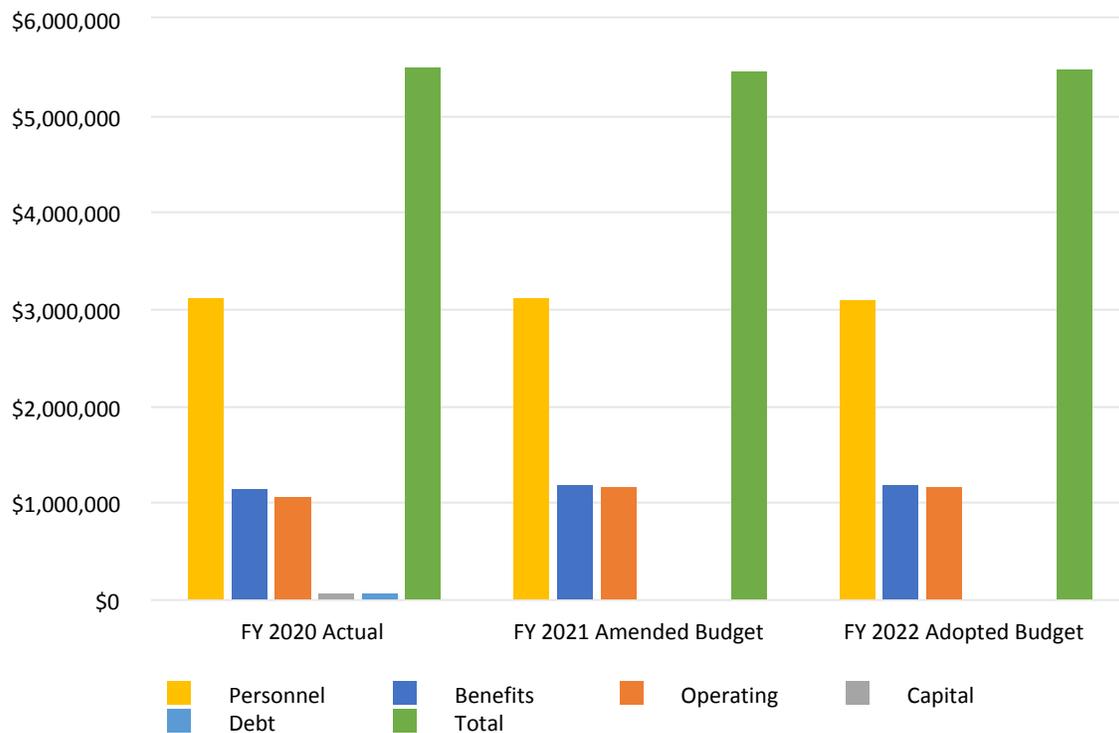
Objective 13: Transparency in City Operations

Initiative 13.2 – Develop a digital dashboard to show progress on City initiatives.

- Performance Measures: The framework for the fire department component of the digital dashboard has been created.

Department Expenditures

Category	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Personnel	\$ 3,120,767	\$ 3,116,967	\$ 3,111,950
Benefits	1,144,559	1,184,447	1,201,596
Operating	1,073,726	1,167,462	1,167,462
Capital	86,111	—	—
Debt	83,616	—	—
Total	\$ 5,508,779	\$ 5,468,875	\$ 5,481,008





Public Works Department

Department Mission Statement

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



A Safe & Vibrant City

Objective 2: Provide accessible public facilities and spaces

Initiative 2.6 – Manage City facilities' maintenance and master plan.

- Performance Measures: To evaluate, control, and improve the City's facilities through the Facilities Condition Assessment as well as the preventative maintenance schedules.

Initiative 2.7 – Continue to manage flood infrastructure projects, including Johnny Morrall, Allison Road, Broad Street, Hay Street, Lafayette Street, Kings Ridge, Calhoun Street, and The Point.

- Performance Measures: Work with engineering and construction firms to come up with best practices in reducing flooding within these critical areas and continued preventative maintenance beyond post construction.

Objective 3: Provide strong public safety support

Initiative 3.1 – Maintain service level provisions for the Police, Fire, and Public Works departments.

- Performance Measures: To provide quality training to staff, maintain the proper equipment for the job, and a timely response to concerns.



Growth & Natural Resources

Objective 10: Manage annexation

Initiative 10.2 – Expand delivery of services within the growth boundaries of the City.

- Performance Measures: To continue providing safe and efficient solutions to concerns and providing preventative maintenance throughout the City, while working with local and state government agencies.



Organizational Excellence

Objective 13: Transparency in City Operations

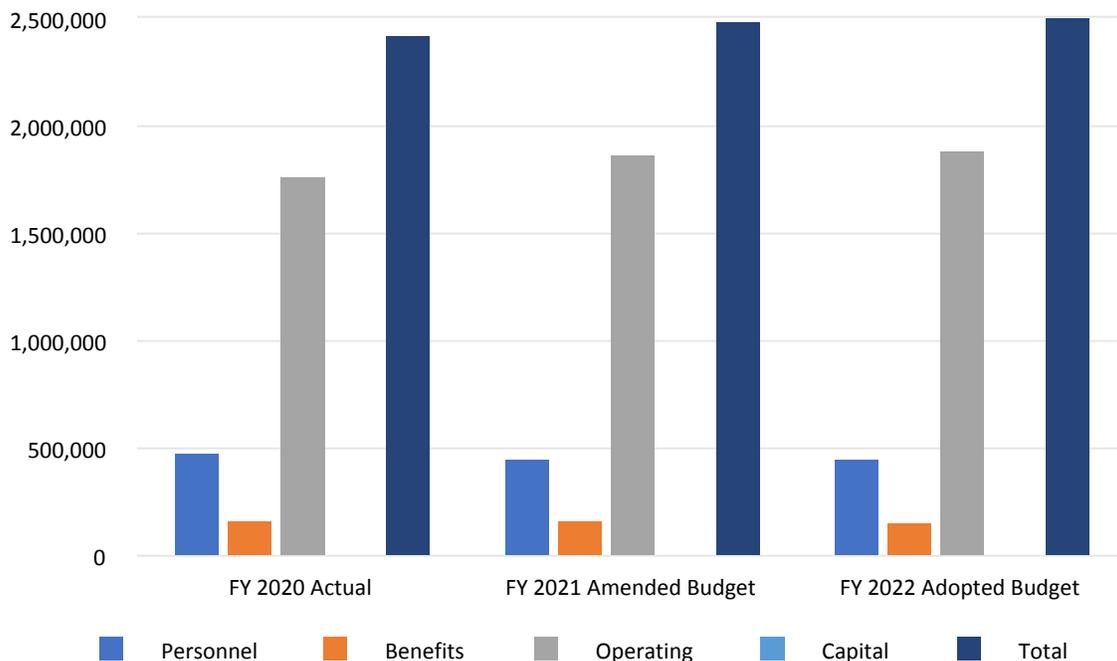
Initiative 13.1 – Continue live-streaming of all boards, commissions, and public meetings; encourage public comment through Zoom, Facebook, email, and traditional means.

- Performance Measures: Working with Parks and Tree Advisory Committee to provide improvement and preservation of City parks.

Department Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Department Summary			
Public Works Administration	\$ 379,191	\$ 398,707	\$ 375,144
Streets & Traffic	801,659	841,339	877,840
Facilities Maintenance	476,965	516,471	511,645
Solid Waste	764,562	736,615	735,715
Total	<u>\$ 2,422,377</u>	<u>\$ 2,493,132</u>	<u>\$ 2,500,344</u>

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Category			
Personnel	\$ 485,309	\$ 449,290	\$ 449,573
Benefits	170,467	170,730	160,129
Operating	1,766,601	1,873,111	1,890,642
Capital	—	—	—
Total	<u>\$ 2,422,377</u>	<u>\$ 2,493,132</u>	<u>\$ 2,500,344</u>







This page intentionally left blank.

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.





A Safe & Vibrant City

Objective 2: Provide accessible public facilities and spaces

Initiative 2.1 – Complete an inventory of needs existing neighborhood parks, and foster partnerships with Beaufort County and Beaufort County School District.

- Performance Measures: Foster community input on needs for neighborhood parks and amenities through surveys and committees members from Beaufort County and Beaufort County School District. Conduct a condition assessment of all city owned/maintained parks.

Initiative 2.2 – Determine an update and replacement schedule for park equipment and structures.

- Performance Measures: Completion of five year replacement schedule based on the needs assessment.

Initiative 2.3 – Review for implementation of Southside Park plan

- Performance Measures: Completion of RFP and master plan by consultant based on the recommendation from the Southside Park Task Force.

Initiative 2.4 – Complete assumption of maintenance at Whitehall Park

- Performance Measures: Provide consistent maintenance and upkeep of Whitehall Park while partnering with Beaufort County on the design and construction of the infrastructure planned for the park.

Initiative 2.5 – Support expansion of the Reconstruction Era Nation Historical Park as Beaufort seeks to become the center for the exploration of Reconstruction history.

- Performance Measures: City staff will play an active role in the planning and design with the National Park Service and stakeholders.

Objective 4: Facilitate unified and coordinated transportation planning

Initiative 4.3 – Evaluate parking and shuttle service

- Performance Measures: Monitor parking usage and demand to determine the needs of a shuttle service.



Economic Development & Innovation

Objective 7: Preserve our authenticity

Initiative 7.3 – Coordinate signage and information to make “wayfinding” easier throughout the entire downtown area and Historic District

- Performance Measures: Conduct inventory of current vehicular and pedestrian wayfinding signage to determine the needs.

Initiative 7.4 – Collaborate with the National Park Service, Beaufort History Museum, historical and preservation groups to promote the Beaufort story and its rich historical and architectural heritage.

- Performance Measures: Maintain strong partnerships with historical groups while enriching and promoting the Beaufort story and its rich history.



Organizational Excellence

Objective 13: Transparency in City Operations

Initiative 13.1 – Continue live-streaming of all board, commissions, and public meetings; encourage public comment through Zoom, Facebook, email traditional means.

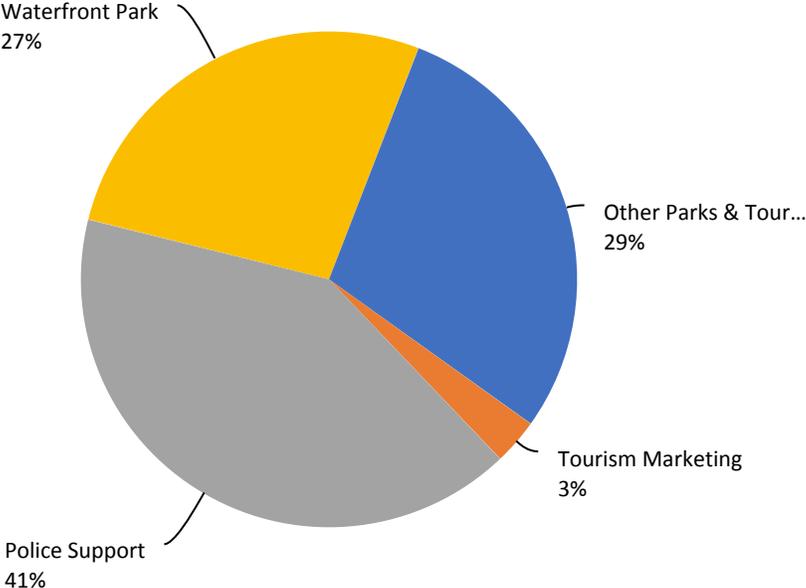
- Performance Measures: Continue to provide information to the public on activities and meetings of the Cultural District Advisory Board, Parking Task Force and Southside Park Task Force.



Fund Revenues and Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Revenues			
Other Taxes	\$ 2,704,579	\$ 2,706,000	\$ 2,812,031
Charges for Services	423,627	490,100	490,100
Miscellaneous	2,010	5,000	5,000
Transfers In	—	—	41,500
Total Parks and Tourism Revenues	<u>3,130,216</u>	<u>3,201,100</u>	<u>3,348,631</u>
Expenditures			
Other Parks and Tourism			
Personnel	\$ 367,875	\$ 344,304	\$ 421,426
Benefits	127,195	150,823	159,209
Operating	235,776	260,155	250,156
Capital	8,318	10,000	—
Total Other Parks and Tourism	<u>739,164</u>	<u>765,282</u>	<u>830,791</u>
Police Support			
Personnel	931,265	825,144	809,162
Benefits	361,047	294,943	317,418
Operating	37,268	37,369	37,369
Total Police Support	<u>1,329,580</u>	<u>1,157,456</u>	<u>1,163,949</u>
Tourism Marketing			
Operating	113,219	99,144	102,315
Total Tourism Marketing	<u>113,219</u>	<u>99,144</u>	<u>102,315</u>
Marina			
Operating	28,618	81,220	81,220
Waterfront Park			
Operating	432,502	449,148	449,148
Capital	13,482	7,500	7,500
Debt	309,098	309,098	309,098
Total Waterfront Park	<u>755,082</u>	<u>765,746</u>	<u>765,746</u>
Other Downtown Operations			
Personnel	169,086	171,582	172,021
Benefits	51,640	65,201	67,440
Operating	70,335	86,404	86,404
Capital	—	15,301	15,301
Total Other Downtown Operations	<u>291,061</u>	<u>338,488</u>	<u>341,166</u>
Parking			
Operating	6,861	9,300	9,300
Capital	40,046	12,500	54,000
Total Parking	<u>46,907</u>	<u>21,800</u>	<u>63,300</u>
Total Parking and Tourism Fund Expenditures	<u>\$ 3,303,631</u>	<u>\$ 3,229,136</u>	<u>\$ 3,348,487</u>

Expenditures Supported by Local Hospitality and Local Accommodations Taxes



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.



A Safe & Vibrant City

Objective 2: Provide accessible public facilities and spaces

Initiative 2.7 – Continue to manage flood infrastructure projects, including Johnny Morrall, Allison Road, Broad Street, Hay Street, Lafayette Street, Kings Ridge, Calhoun Street, and The Point.

- Performance Measures: Work with engineering and construction firms to come up with best practices in reducing flooding within these critical areas and continued preventative maintenance beyond post construction.

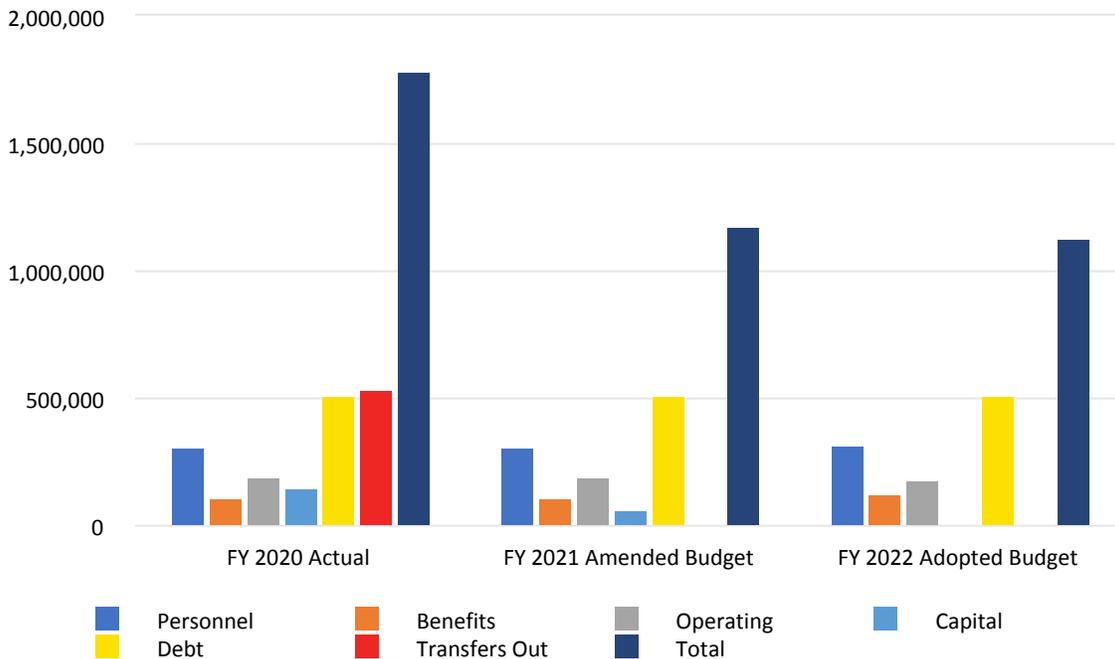
Objective 3: Provide strong public safety support

Initiative 3.1 – Maintain service level provisions for the Police, Fire, and Public Works departments.

- Performance Measures: To provide quality training to staff, maintain the proper equipment for the job, and a timely response to concerns.

Fund Revenues and Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Revenues			
Stormwater Utility Fees	\$ 1,129,623	\$ 1,100,000	\$ 1,129,000
Other Revenues	40,102	—	
Total Revenues	<u>\$ 1,169,725</u>	<u>\$ 1,100,000</u>	<u>\$ 1,129,000</u>
Expenditures			
Personnel	302,283	302,083	314,771
Benefits	105,511	111,771	125,172
Operating	187,098	186,917	177,618
Capital	150,528	64,000	—
Debt	507,792	508,126	507,500
Transfers Out	531,044	—	—
Total Expenditures	<u>\$ 1,784,256</u>	<u>\$ 1,172,897</u>	<u>\$ 1,125,061</u>





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 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Revenues			
State Accommodations Tax	\$ 493,092	\$ 471,750	\$ 491,686
Total Revenues	<u>\$ 493,092</u>	<u>\$ 471,750</u>	<u>\$ 491,686</u>
Expenditures			
Personnel	\$ 16,618	\$ 17,723	\$ 17,914
Benefits	7,952	6,203	8,502
Operating			
Designated Marketing Organization	149,850	183,800	183,800
Tourism Grants to Qualified NPO'S	219,105	166,724	183,136
Capital	—	50,000	50,000
Transfers Out	48,334	47,300	48,334
Total Expenditures	<u>\$ 441,859</u>	<u>\$ 471,750</u>	<u>\$ 491,686</u>

Fiscal Year 2022 Budget Highlights

The FY 2020 State Accommodations budget included \$150,000 for capital designated for the repairs to the Arsenal building windows and renovation of the bathroom under a grant funded project. The project was completed, but because of revenue shortfalls in the State Accommodations tax collections resulting from COVID-19, the \$150,000 grant match was instead funded by the General Fund's committed fund balance for capital projects. Council's intent was to replenish the general fund's committed fund balance over the course of the next three fiscal years. The FY 2021 adopted budget included \$50,000 towards to replenish the committed fund balance for capital projects as originally intended in FY 2020 adopted budget along with \$50,000 adopted in the fiscal year 2022 budget. The remaining balance of \$50,000 will be funded with excess actual revenues or subsequent year budgets. Once guidance for the US Treasury is fully understood, the shortfall in revenues may be replaced with American Recovery Plan dollars, thereby providing additional resources for tourism related expenditures.

Fire Impact Fund

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

Fund Revenues and Expenditures

	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Adopted Budget
Revenues			
Fire Impact Fees	\$ —	\$ 119,363	\$ 119,363
Total Revenues	<u>\$ —</u>	<u>\$ 119,363</u>	<u>\$ 119,363</u>
Expenditures			
Capital	—	70,400	70,400
Total Expenditures	<u>\$ —</u>	<u>\$ 70,400</u>	<u>\$ 70,400</u>

Fiscal Year 2022 Budget Highlights

One fire truck costing \$110,000 annually is budgeted out of the Fire Impact Fund in accordance with the Capital Improvement Plan. The difference between the total cost of the fire truck and the \$70,400 budget represents the Town of Port Royal portion that is billed under intergovernmental revenues within the General Fund. Fiscal year 2022 is budgeted as fiscal year 2021 as anticipated fire impact fees in 2021 did not realize and therefore the budget is carried forward into the new fiscal year.

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 Stormwater Revenue Bond issuance during 1st Quarter 2019 and the engineering analysis completed for Mossy Oaks Basin I and Basin II along with several other smaller areas that are more highly affected by flooding are being addressed within the Capital Projects Fund.

Adopted FY22 Capital Projects

The City has three active grant awards that impact City Infrastructure. These projects are included in the active Capital Projects list.

The Carnegie building window renovation project funded in total by a Historic Preservation grant through South Carolina Department of Archives and History.

The Allison Road project is partially funded by two federal transportation funding grants (TAP) through the South Carolina Department of Transportation totaling \$1,000,000.

Various other Stormwater projects are underway that are being funded by the bond funding secured in FY 2019 though grant funding has been applied for to assist with leveraging the bond funds as match. They include the following projects: Johnny Morrall Pipe Outfall, Lafayette Street Outfall, The Point (Engineering only) and Calhoun Street.

ACTIVE CAPITAL PROJECTS FOR FY 2022 WITH FUNDING SOURCES

Active Capital Projects

Description	Estimated Original Budget	Modified Budget	Active Capital Project and Fully Funded
<u>City Facilities</u>			
Carnegie Building	\$ 188,500	\$ 188,500	Yes
500 Carteret Street- Upfit	250,000	221,035	Yes
Municipal Complex Parking			
<u>Stormwater</u>			
Lafayette Street Outfall- Engineering Only	16,714	16,714	Yes
Calhoun Street Drainage	192,751	787,500	Yes
Johnny Morral	156,000	300,000	Yes
The Point- Engineering Only	224,533	224,533	Yes
Kings Ridge Outfall- Engineering Only	19,061	19,061	Yes
Hay Street Outfall- Engineering Only	39,415	39,415	Yes
<u>Streets</u>			
SC 170 Sidewalk Extension- Engineering Only	25,169	225,169	Yes
Commerce Park- Schwortz Road			
Commerce Park- Shork Road			
Whitehall Boardwalk	300,000	650,000	Yes
Allison Road	1,930,536	1,940,088	Yes
<u>Marina</u>			
Gas line replacement	75,000	75,000	Yes
Total	\$ 3,417,679	\$ 4,687,015	

ACTIVE CAPITAL PROJECTS FOR FY 2022 WITH FUNDING SOURCES

Funding Sources for Active Capital Projects

Description	Grant Funding	Bond Funds	Committed Fund Balance	TIF II	Partners
<u>City Facilities</u>					
Carnegie Building	\$ 188,500	\$ —	\$ —	\$ —	\$ —
500 Carteret Street- Upfit	—	—	—	—	221,035
Municipal Complex Parking	—	—	—	300,000	—
<u>Stormwater</u>					
Lafayette Street Outfall- Engineering Only	—	16,714	—	—	—
Calhoun Street Drainage	—	787,500	—	—	—
Johnny Morral	—	300,000	—	—	—
The Point- Engineering Only	—	224,533	—	—	—
Kings Ridge Outfall- Engineering Only	—	19,061	—	—	—
Hay Street Outfall- Engineering Only	—	39,415	—	—	—
<u>Streets</u>					
SC 170 Sidewalk Extension- Engineering only	—	—	—	225,169	—
Commerce Park- Schwartz Road	—	—	—	—	148,583
Commerce Park- Schork Road	—	—	—	—	192,138
Whitehall Boardwalk	—	—	—	—	650,000
Allison Road	1,000,000	765,088	—	—	175,000
<u>Marina</u>					
Gas line replacement	—	—	75,000	—	—
Total	\$ 1,188,500	\$ 2,152,311	\$ 75,000	\$ 525,169	\$ 1,386,756

CAPITAL IMPROVEMENT PLAN: FY 2022 THROUGH FY 2025

Item	Project Description	Modified Budget	Funding Source				Priority Tier Level			
			Grant	Partnership	TIF II	Bond	Tier 1: 1-2 years	Tier 2: 2-3 years	Tier 3: 3-4 years	Tier 4: 4+ years
<u>City Facilities Projects</u>										
1	Carteret Street Facility Improvements	300,000		221,035			221,035			
2	Upfit to 2nd Floor Police Department- pending tenant	400,000			400,000					400,000
3	Arsenal Walls Major Repair- can be phased	670,000					670,000			
4	Land Purchase for Parking at Municipal Complex	300,000			300,000		300,000			
<u>Street Resurfacing Projects</u>										
5	Twin Lakes	50,000		50,000			50,000			
6	Commerce Park- Schwartz Road	148,583		148,583			148,583			
7	Commerce Park- Schork Road	192,138		192,138			192,138			
<u>Drainage Projects</u>										
8	Cottage Farm Drainage	28,000					28,000			
9	Kings Ridge Outfall	25,000				25,000		25,000		
10	Lafayette Drainage	450,000		100,000		16,714				450,000
11	Johnny Morral Pipe Outfall	300,000				300,000		300,000		
12	Hay Street Drainage	515,241				39,415				515,241

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

Item	Project Description	Modified Budget	Funding Source				Priority Tier Level			
			Grant	Partnership	TIF II	Bond	Tier 1: 1-2 years	Tier 2: 2-3 years	Tier 3: 3-4 years	Tier 4: 4+ years
	<u>Other Projects</u>									
13	The Point	3,969,156					224,533		3,744,623	
14	Calhoun Streetscape & Drainage	1,287,500	500,000			787,500	787,500	500,000		
15	Parallel Road Extension to Hogarth	2,900,000			2,900,000					2,900,000
16	Duke Street- Phase III	450,000	450,000					450,000		
17	Allison Road	1,940,088	1,000,000	175,000		765,088	1,940,088			
18	Greene Street Streetscape- Phase I	650,000							650,000	
19	Greene Street Streetscape- Phase II	650,000								650,000
20	Greene Street Streetscape- Phase III	650,000								650,000
21	Whitehall Boardwalk	650,000	350,000	300,000			650,000			
22	Marina Bathrooms and Store	500,000						500,000		
23	Parking Garage	8,000,000								8,000,000
24	Marina Gas Tanks Replacement	525,000					75,000	450,000		
25	Waterfront Park Seawall and Bulkhead Analysis	1,500,000					1,500,000			
	Total Capital Improvement Plan Projects	27,050,706	2,300,000	1,246,756	3,600,000	1,933,717	6,416,877	2,595,000	4,844,623	13,115,241

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Revenue Fund - A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposed 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.