

**Town of Sullivan's Island
Finance Committee Meeting**

Town Hall- 2056 Middle Street

May 11, 2017

8:30 a.m.

Mayor O'Neil called the Finance Committee Meeting to order on May 11, 2017 at 8:30 a.m., and stated the press and public had been notified. In attendance were Mayor O'Neil, Council members Sarah Church, Mark Howard, Rita Langley, Susan Middaugh and Bachman Smith, IV. Staff members Andy Benke, Jason Blanton and Greg Gress were also in attendance. There was one member of the press and one member of the public in the audience.

Mayor O'Neil stated the purpose of the meeting was to review and discuss the Water and Sewer Budget as well as the General Fund Budget for FY2018.

Items of discussion included: proposed budget timeline, CPI increase as set by the State of South Carolina, increasing building permit and business license fees, revenue expenses, future equipment purchases; and a millage increase for FY18. A summary of the discussion provided by Comptroller Blanton is attached.

A Public Hearing of the FY18 budget will be held on June 5, 2017. A Special Meeting to have Second Reading of the budget will be held on June 5, 2017 before the regularly scheduled Town Council Workshop Meeting.

Motion was made by Councilmember Church, seconded by Councilmember Howard, to adjourn at 9:30 a.m., carried unanimously.

Respectfully submitted,



Courtney Liles

Fiscal Year 2018 Budget Timelines

GENERAL FUND

March 21, 2017: Preliminary Draft of the FY 2018 Budget to Council.

March 22, to April 17, 2017: Potential Finance Committee Meeting Dates for the Discussion of the FY 2018 Budget.

April 18, 2017: Discussion of Final Draft of the FY 2018 Budget.

April 18, 2017: First Reading of the FY 2018 Budget.

May 16, 2017: Public Hearing of FY 2018 General Fund Budget.

June 5, 2017: Special Meeting of Council for Second Reading of the FY 2018 Budget.

June 20, 2017: Third Reading and Ratification of the FY 2018 Budget.

Water and Sewer Funds

March 23, 2017: Discussion of First Draft of FY 2018 Budgets in Committee.

April 3, 2017: Presentation to and General Discussion with Council of the FY 2018 Water and Sewer Budgets.

April 18, 2017: Discussion of Final Draft of the FY 2018 Budgets.

May 1, 2017: Special Meeting of Council for First Reading of the FY 2018 Budgets.

May 16, 2017: Discussion of FY 2018 Water and Sewer Budgets.

June 5, 2017: Special Meeting of Council for Second Reading of the FY 2018 Budgets.

June 20, 2017: Third Reading and Ratification of the FY 2018 Budgets.

Town of Sullivan's Island
Fiscal Year 2018 Budget Highlights

Expenses = \$5,655,397

Revenues = \$5,651,397

Difference = \$4,000 Expenses over Revenues

Expenses

- Administration
 - BS&A – Final Payment for the accounting software, \$67,065
 - \$20,000 has been included in the Planning line item for the preparation of the comprehensive plan.
 - Start setting aside money for replacement of large items on the new Town Hall, such as HVAC unit replacement, replacement of the roof, etc.
 - \$50,000 has been included in the Administration budget.
 - Service agreements for HVAC unit, elevator and generator for Town Hall.
 - Cleaning service for Town Hall.
 - \$125,000 is included as a capital project for the purchase of a building to store the Town's equipment, tractors, vehicles, etc.
- Fire Department
 - Building Repairs – A quote has not been obtained to do the work needed for the fire station. It is projected to be close to \$200,000.
 - \$9,000 has been included in the budget for an emergency helicopter medical transportation.
- Police Department
 - Kubota RTV900 to replace an old Kubota. \$15,343
 - Replace Ford Explorer - \$32,000
- Maintenance Department
 - Kubota RTV900 to replace an old Kubota. \$15,343
 - Kubota mower. \$13,299
 - Future accreted land management expenses are included in the budget for \$100,000.
 - Start setting aside money for projects such as the restoration of Battery Gadsden. \$50,000 has been included in the draft budget.

- Storm water system improvements - \$60,000 has been included in the draft budget.
- Recreation
 - Mound drainage improvement and resurfacing, \$40,000
 - Stith Park improvements, \$17,000
- Other
 - Retirement rates will increase by 2.0% for the Town's portion. SCRS Rate for the Town will be 13.56% and PORS Rate for the Town will 16.24%
 - The withholding for the Police and Firefighters will increase by 0.51% to 9.75%.
 - The withholding for all other employees will increase by 0.34% to 9.0%.
- Wages and Salaries
 - Under this draft budget, a 2.0% COLA increase and a 2.5% overall merit increase was used.

Revenue

- Property Taxes
 - The Town did not increase the operating millage rate for FY 2017.
 - CPI increase for 2016 was 1.28% per the State
 - The Town is able to increase the operating millage by 2.56% or 0.8 mils. This would be a \$32.00 increase for every \$1 million of appraised value assessed at 4%. An increase of \$60,000 is included in this budget.
 - The millage for the debt service on the 2014 General Obligation Bond is 6.2 mils for FY 2017. Due to the increase in the assessed property values, the mils could be reduced to 6.0 mils to cover the debt service on the bond.
 - If both actions were taken, the net increase would be 0.6 mils for FY 2018.
 - As a reminder, the State Code allows for a Municipality to add additional millage to increase its fund balance. Each mil generates approximately \$69,000.
- Other Income
 - Other fees, such as business licenses and building permits were not increased for 2017. This could be an option for 2018.
 - Miscellaneous income (Line 10-3000-9900; Page 1), is \$100,000. In the previous versions of the budgets, it was \$30,000. The additional \$70,000 is a wash from insurance reimbursements for legal fees stemming from the accreted land lawsuit. In the previous draft budgets, the legal expenses were included in the Administration Budget on Page 5, Line 9.1910.