

## **BUDGET WORKSHOP**

### **May 28, 2019**

#### **2019/2020 Budget Summary**

The City will use three primary funds for the FY 20 budget. They are the General Fund, the Hospitality Tax Fund and the Capital Fund.

**General Fund:** The General Fund is where all general revenues of the city (taxes, fines, business licenses and building permits) are recorded. It is also where all the general operations expenses (police, fire, administration, street, recreation) are recorded.

**Hospitality Tax Fund:** The Hospitality Tax Fund is where all revenues derived from our hospitality tax are deposited. As required by SC state law, all expenses paid from this fund must be related to tourism promotion. This includes general expenses incurred by the city for the operation of the Tobacco Museum. It also includes other expenses related to the city's efforts to promote tourism such as advertising and development of recreation facilities that attract visitors from outside our city limits.

**Capital Fund:** The Capital Fund is where we deposit some surplus revenues from the General Fund and some other revenue designated specifically for capital projects.

#### **Overview of FY 20 Budget:**

State law requires council adopt a balanced budget each year. When projected expenses exceed projected revenues, council may choose to use reserve funds. Our current General Fund budget (FY19) projects the use of around \$48,500 in reserve funds. The proposed FY20 budget currently projects the use of \$133,200 in reserves. It is unclear at this time if any of those budgeted reserves will be needed in the current fiscal year.

As drafted, the FY20 budget projects expenses to be up by less than 1/4% from the current year budget, or roughly \$11,150. Revenues are also projected to be up by less than 1/4%, or roughly \$11,150 from the current year budget.

I have attempted to maintain the same level of service with this year's budget. Our revenues are fairly flat from year to year. Each year we are faced with new expenses because of increases for new services, new salaries or new equipment.

### **Vehicles and Equipment**

The budget includes funds for one new fully equipped police patrol vehicle (\$46,000). The budget also includes funds for the replacement of a tank, gas monitors and SCBA's for the Fire Department (\$50,000.00)

### **Salary Adjustments**

The proposed budget allocates 2% for an across the board cost of living adjustment. It also includes funds for some within grade adjustments for most Fire Department personnel.

### **General Fund:**

**Revenues:** Budgeted Revenues will increase by roughly 1/4%. I am including an allocation of reserves to the general fund in the amount of \$133,200.

**Expenses:** Budgeted expenses will increase by roughly 1/4%.

### **Hospitality Tax Fund:**

The amounts of revenues and expenses in the Hospitality Tax Fund will be about the same as last year. We will continue to fund Museum expenses with money from the fund. A number of organizations or events will receive small amounts from the fund to promote tourism. TV8 advertisements will be funded at \$7,200. PDRTA is fully funded as they requested at \$5800. The remainder of the expenses, roughly \$77,000, will be used to service the debt on the park upgrades bond.

### **Capital Fund:**

The FY 2020 Budget includes the items mentioned above in Vehicles and Equipment. Revenues for this fund are transferred out of the General Fund or are acquired through grants. The majority of anticipated reserve funds needed are to cover the vehicles and equipment requested by the Police and Fire Departments.