

May 17, 2018

BUDGET WORKSHOP

|                         |  |
|-------------------------|--|
| 10:00 a.m.              | BUDGET 101   |
| 10:30 a.m. – 10:45 a.m. | BREAK  |
| 10:45 a.m. – 11:45 a.m. | REVENUE AND EXPENDITURES   |
| 11:45 a.m. – 12:30 p.m. | LUNCH  |
| 12:30 p.m.              | CAPITAL ITEMS<br>FUND BALANCE<br>BIG PICTURE (CONSOLIDATED BUDGET) |
| 2:00 p.m.               | ADJOURN  |

Mayor  
Robert F. Childs



Town Administrator  
Micki Fellner

Town Clerk  
Debra E. Herrmann, CMC

## Town of Surfside Beach

Mayor Pro Tem  
Ron Ott

Town Council  
Tim Courtney  
Mark L. Johnson  
David L. Pellegrino  
Julie Samples  
Randle M. Stevens

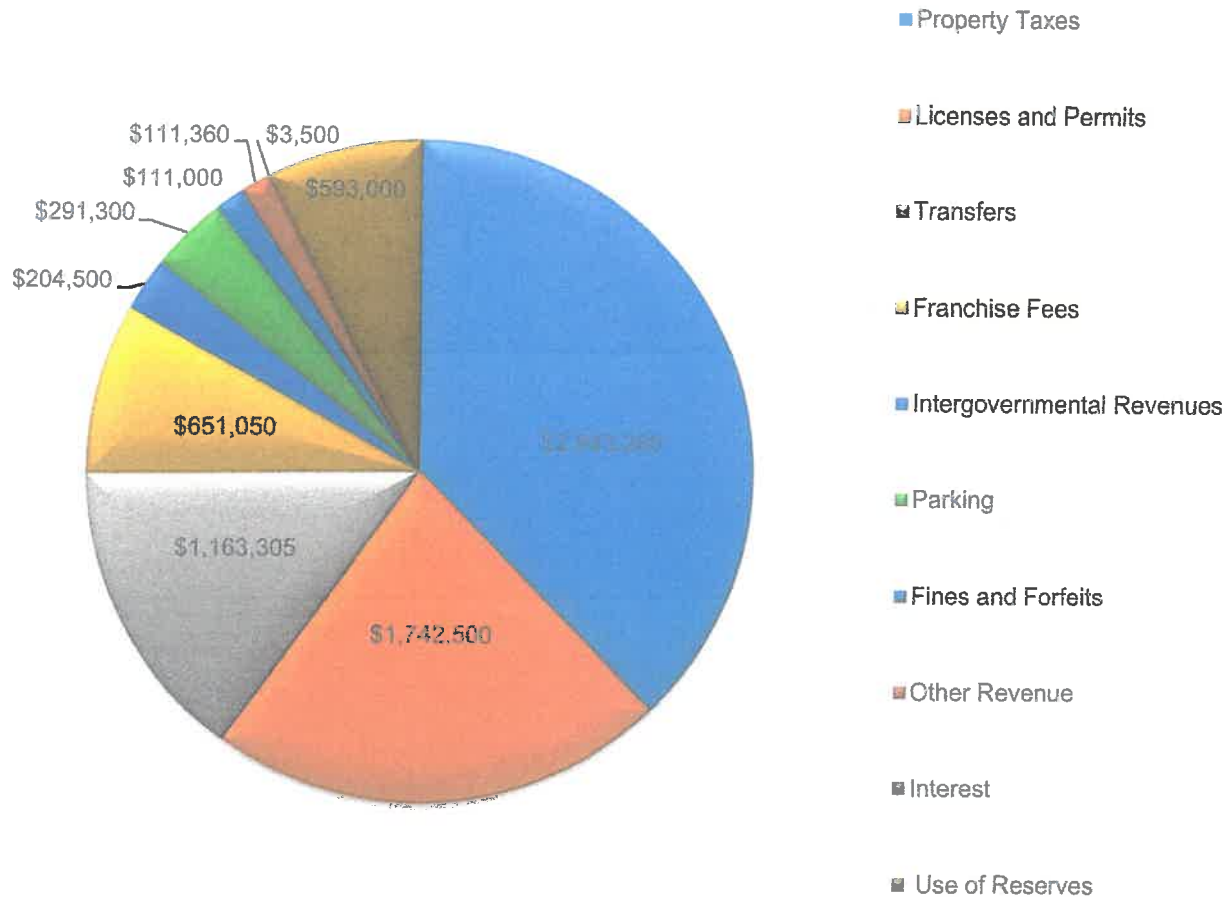
### 2018 Budget Schedule

| Date              | Task   |
|-------------------|--|
| 02/05/18          | Budget handouts in Department Heads boxes and blanks on Z Drive        |
| 02/14/18          | All budget pages, including detail due back to Finance on Z Drive      |
| 02/22/18          | Vision Meeting   |
| 02/26/18          | Administrator and Finance Director review all budget input             |
| 03/05/18-03/08/18 | Administrator and Finance Director review detail sheets with Directors |
| 03/05             | Events/PBZ/Admin/Finance   |
| 03/06             | Police and Court   |
| 03/07             | Public Works   |
| 03/08             | Fire   |
| 03/20/18          | All changes on Z-Drive for review by Department Heads                  |
| 03/30/18          | Final sign off by Department Heads of detail sheets                    |
| 04/02/18-4/30/18  | Administrator prepare all charts, graphs and narrative                 |
| 05/01/18-5/08/18  | Assemble budget books  |
| 05/09/18          | Distribute budget books  |
| 05/17/18          | Budget Workshop  |
| 05/22/18          | Public Hearing and First Reading at regular council meeting            |
| 06/12/18          | Second Reading at regular council meeting                              |

*The Family Beach*

*Dedicated people providing quality and responsive service to our community.*  
115 US Highway 17 North, Surfside Beach, SC 29575-6034 ♦ [www.surfsidebeach.org](http://www.surfsidebeach.org)  
Telephone 843.913.6111 ♦ Facsimile 843.238.5432 ♦ Email [town@surfsidebeach.org](mailto:town@surfsidebeach.org)

## General Fund Revenues



**Total Revenue \$ 7,814,495**

### Transfers to General Fund from

|                      |                           |
|----------------------|---------------------------|
| Sanitation           | \$ 90,000                 |
| Accommodations       | \$259,100                 |
| Hospitality          | \$603,755                 |
| Local Accommodations | \$190,100                 |
| Pier                 | <u>\$ 20,350</u>          |
| <b>Total</b>         | <b><u>\$1,163,305</u></b> |

## Special Revenue Funds

### *Hospitality Fund*

The Local Hospitality Fee was authorized by positive majority vote May 28, 1996. It imposes a one percent (1%) hospitality tax throughout the municipality. The tax is levied on gross proceeds from sales of prepared meals and beverages sold in establishments in Town as well as short-term rentals. The revenue is kept in a separate fund and used according to the ordinance passed by Town Council. The total proposed Hospitality Fund revenue for FY 2018-2019, including a possible \$35,000 *South Carolina* Department of Parks, Recreation and Tourism Grant, is \$901,000.

Hospitality funds may be used for ...

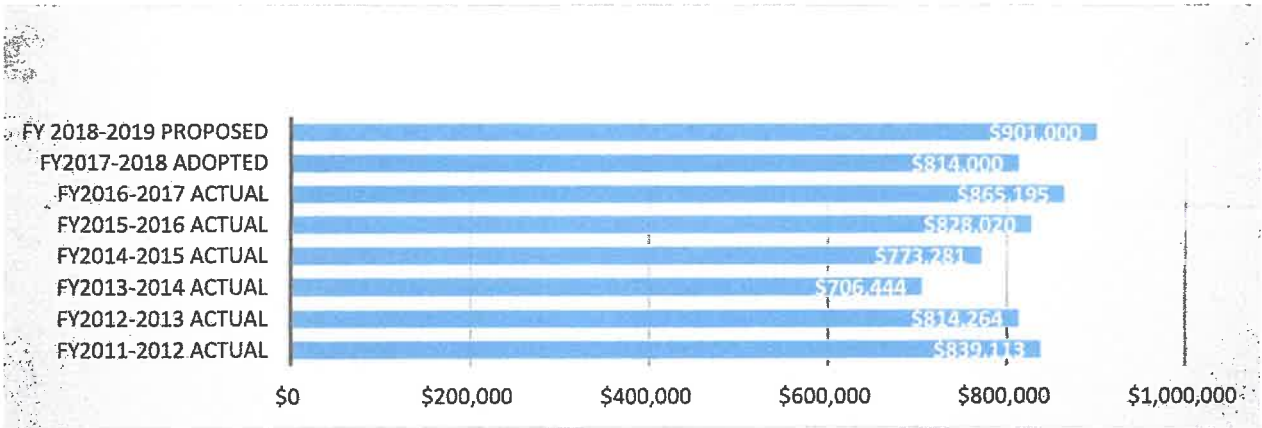
- Nourishment, renourishment, and maintenance of the beaches, dunes restoration, including sand fencing, and the planting of sea grass or other vegetation useful in preserving the dune system within the territorial limits of the town.
- Acquisition and maintenance of public beach access.
- Capital improvements to the beaches and beach related facilities which include but are not limited to public beach parks, public parking, public access, dune walkovers, public bathhouses and restrooms.
- Transportation improvements including construction and resurfacing of streets, stormwater drainage, sidewalks, bikeways, landscaping and all associated costs including right-of-way acquisition and engineering design.
- The acquisition of land and the construction of passive and active parks and facilities associated with parks, including playground equipment, sports facilities, and community recreation buildings.
- Acquisition of property and the construction of facilities required for the provision of public safety services and the acquisition of capital equipment for the provision of public safety services.
- The payment of bonded indebtedness required to provide the above-referenced uses.
- Administrative costs associated with collection, accounting for and applying the hospitality fee.

Fiscal year 2018-2019 proposed expenditures from the Hospitality Fund are for...

- Transfer to Capital Projects for Beach Renourishment - \$75,000
- Transfer for aerial platform lease payment - \$78,755
- Transfer to General Fund - \$220,000 plus \$305,000 for Fire truck (50%) Total \$525,000.
- Walkovers and shower towers - \$18,950
- Veteran's Memorial Wall - \$25,000 and Maintenance \$4,800
- Two police vehicle - \$80,000
- Three computers for Police – \$4,000

- Fire Department 5 passenger vehicle - \$52,000
- Miscellaneous grant match funds - \$11,000
- Beautification Project - \$12,000 and possible grant project \$45,000
- Transfer to Capital Projects for 3<sup>rd</sup> South and Hwy 17 Underground Projects.

### Hospitality Fund Revenue



**TOWN OF SURFSIDE BEACH**

**BUDGET SUMMARY**

**HOSPITALITY FUND**

|  | Budget Amendment  |                   |                    |                   |                    |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|
|  | FY 2016           | FY 2017           | FY 2018            | FY 2018           | FY 2019            |
| <b>REVENUES</b>                                    | <b>Actual</b>     | <b>Actual</b>     | <b>Adopted</b>     | <b>Projected</b>  | <b>Proposed</b>    |
| Hospitality Revenue                                | \$ 819,796        | \$ 855,833        | \$ 780,000         | \$ 850,000        | \$ 865,000         |
| Interest Earned                                    | 1,109             | 1,313             | 1,000              | 800               | 1,000              |
| Grants   | -                 | 8,049             | 33,000             | 40,000            | 35,000             |
| Misc. Inc / Donations                              | 7,116             | -                 | -                  | -                 | -                  |
| <b>Total Revenues</b>                              | <b>\$ 828,021</b> | <b>\$ 865,195</b> | <b>\$ 814,000</b>  | <b>\$ 890,800</b> | <b>\$ 901,000</b>  |
| <b>EXPENDITURES</b>                                |                   |                   |                    |                   |                    |
| Police Department                                  | \$ 126,632        | \$ 38,755         | \$ 141,100         | \$ 106,100        | \$ 84,000          |
| Fire   | 4,596             | 156,081           | -                  | -                 | 52,000             |
| Events   | 36,823            | 2,224             | 3,700              | 3,700             | 29,800             |
| Non Department                                     | 59,727            | 18,602            | 19,450             | 21,450            | 87,450             |
| <b>Total Expenditures</b>                          | <b>\$ 227,778</b> | <b>\$ 215,662</b> | <b>\$ 164,250</b>  | <b>\$ 131,250</b> | <b>\$ 253,250</b>  |
| <b>Transfers:</b>                                  |                   |                   |                    |                   |                    |
| Transfers to General Fund                          | \$ 305,525        | \$ 215,500        | \$ 300,625         | \$ 325,000        | \$ 603,755         |
| Transfer to Capital Projects for Beach Nourishment | 125,000           | 270,000           | 75,000             | 75,000            | 75,000             |
| Transfer to Capital Projects 3rdS & undergnd       | 63,000            | -                 | 300,000            | 300,000           | 50,000             |
| Transfer to Capital Projects Myrtle Swash Bridge   |                   |                   |                    | <b>25,000</b>     | -                  |
| Transfer to Pier Fund                              |                   | 84,500            |                    |                   |                    |
| <b>Total Other Uses of Funds</b>                   | <b>\$ 493,525</b> | <b>\$ 570,000</b> | <b>\$ 675,625</b>  | <b>\$ 725,000</b> | <b>\$ 728,755</b>  |
| <b>Net Change in Fund Balance</b>                  | <b>\$ 106,718</b> | <b>\$ 79,533</b>  | <b>\$ (25,875)</b> | <b>\$ 34,550</b>  | <b>\$ (81,005)</b> |
| <b>Fund Balance</b>                                |                   |                   |                    |                   |                    |
| Beginning Fund Balance                             | \$ 555,228        | \$ 661,946        |                    | \$ 741,479        | \$ 776,029         |
| Ending Fund Balance 6-30                           | \$ 661,946        | \$ 741,479        |                    | \$ 776,029        | \$ 695,024         |
| <b>Total Expenditures and Transfers</b>            | <b>\$ 721,303</b> | <b>\$ 785,662</b> |                    | <b>\$ 856,250</b> | <b>\$ 982,005</b>  |

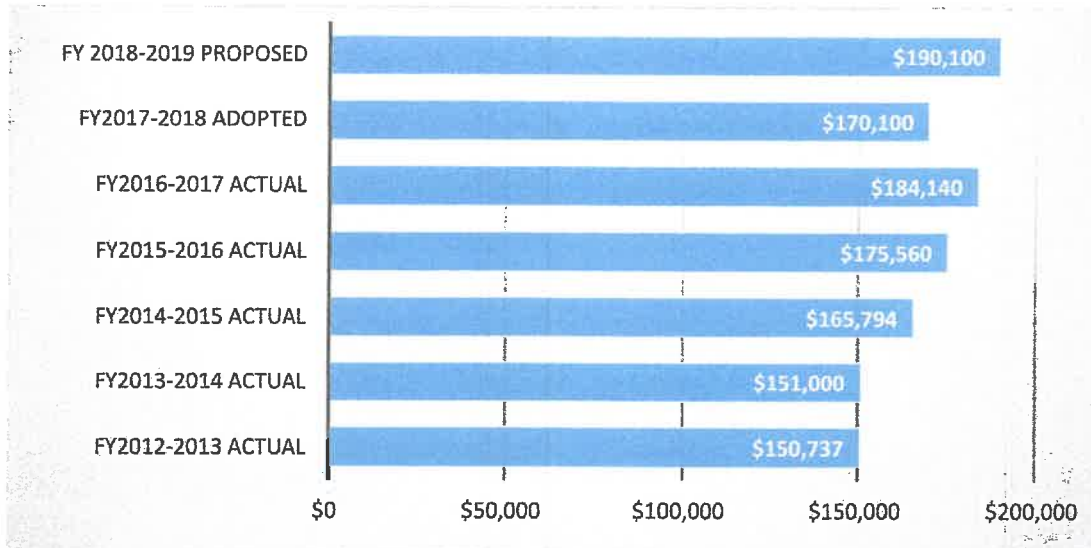
*Local Accommodations Fund*

The Local Accommodations Tax Act, effective July 1, 1997, authorizes by positive majority vote imposing a 0.5% fee in Surfside Beach. The tax is levied on gross proceeds from rental or charges for accommodations furnished to transients (i.e., 30 days or less) as provided by SC Code 12-36-920(A). Revenue from the tax must be kept in a separate fund and used for specific tourism-related purposes. The Town enacted the Local Accommodations tax ordinance on September 11, 2001. The total proposed Local Accommodations tax revenue for FY 2018-2019 is \$190,100.

This revenue may be used to fund ...

- Tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums
- Tourism-related cultural, recreational, or historical facilities
- Beach access and renourishment
- Highways, roads, streets, and bridges providing access to tourist destinations
- Advertisements and promotions related to tourism development
- Water and sewer infrastructure to serve tourism-related demand
- The resources to operate and maintain the items listed above including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

**Local Accommodations Fund Revenue**



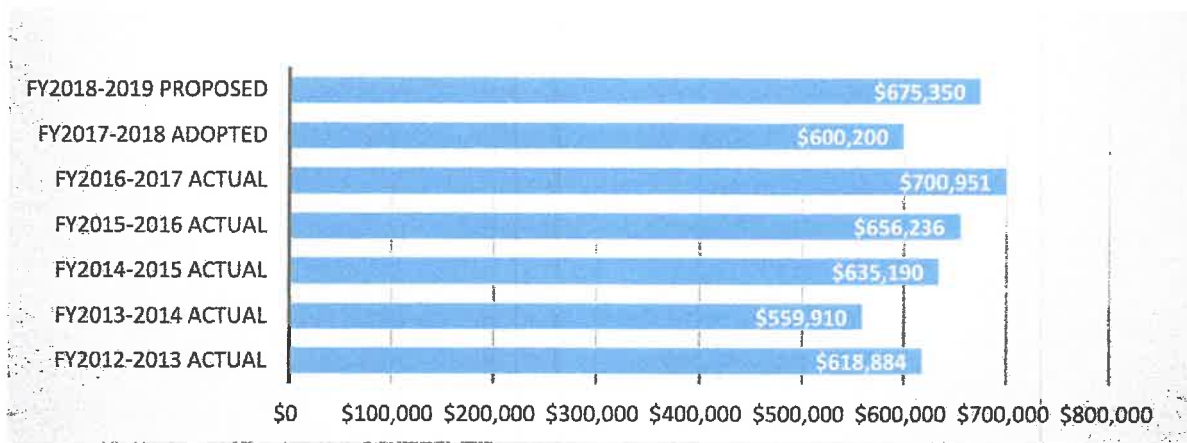
*State Accommodations Funds*

A two percent (2%) local accommodations tax on transient rental property (less than 90 days continuous rental) is imposed by the state and credited to the municipality in which it is collected as authorized by SC Code 12-36-2630 (3). The first \$25,000 goes to the General Fund. After this allocation 65% goes to the Accommodations Tax Fund, 30% goes to advertising through the Myrtle Beach Area Chamber of Commerce and the remaining 5% goes to the General Fund. The Accommodations Tax Committee makes recommendations for the use of the 65% to Town Council. The projected revenue for 2018-2019 is \$675,350. The 65% remaining in the Accommodations Tax Fund is projected to be \$437,850.

The major uses of Accommodations Tax are ...

- Police service increase due to number of tourists, including Bike Week expenditures
- Raking of the beach
- Upkeep of beach restrooms
- Cleaning of beach
- Beach renourishment
- Costs relating to events that attract tourists from more than 100 miles away (e.g., 4<sup>th</sup> of July music show (fireworks cancelled), BBQ Festival, Beach Luau
- Advertising of Town on social media
- Printing of Tourism brochure and map

**State Accommodations Tax Fund Revenue**





State of South Carolina ) *Resolution of the*  
 County of Horry )  
 Town of Surfside Beach ) *Accommodations Tax Advisory Committee*

*Funding Recommendations  
 Fiscal Year 2018-2019*

**Whereas**, the Accommodations Tax Advisory Committee (the Committee) met on January 18, 2018 and heard requests for funding during the next fiscal year, FY2018-2019; and


**Whereas**, the Committee moved by duly adopted motion to recommend to the Surfside Beach Town Council the following:

| <u>FY2018-2019 Funding Requests</u>             | <u>Funding Amount</u> | <u>Recommendation</u> |
|---|-----------------------|-----------------------|
| <b>Grant Funding</b>                            |                       |                       |
| Historical Signage                              | \$ 10,000             | Approved              |
| Social Media Consultant                         | \$ 18,000             | Approved              |
| Guy Daniels Foundation                          | \$ 6,500              | Approved              |
| <b>Town of Surfside Beach</b>                   |                       |                       |
| Beach Patrol 1.5 Officers, etc.                 | \$147,600 <i>dh</i>   | Approved              |
| Bike Event Proviso                              | \$ 50,000             | Approved              |
| Public Works, Beach Cleaning, etc.              | \$ 54,000             | Approved              |
| Special Events-Promotional Ads-Tourism Brochure | \$ 62,750             | Approved              |
| Beach Renourishment                             | \$ 75,000             | Approved              |

**NOW, THEREFORE, BE IT RESOLVED** that the Surfside Beach Accommodations Tax Advisory Committee hereby recommends to the Surfside Beach Town Council to approve the funding as stated herein for Fiscal Year 2018-2019.

**BE IT SO RESOLVED** this 18<sup>th</sup> day of January 2018.

  
 \_\_\_\_\_  
 Sammy Truett, Chairman

Attest:  
  
 \_\_\_\_\_  
 Debra E. Herrmann, CMC, Town Clerk

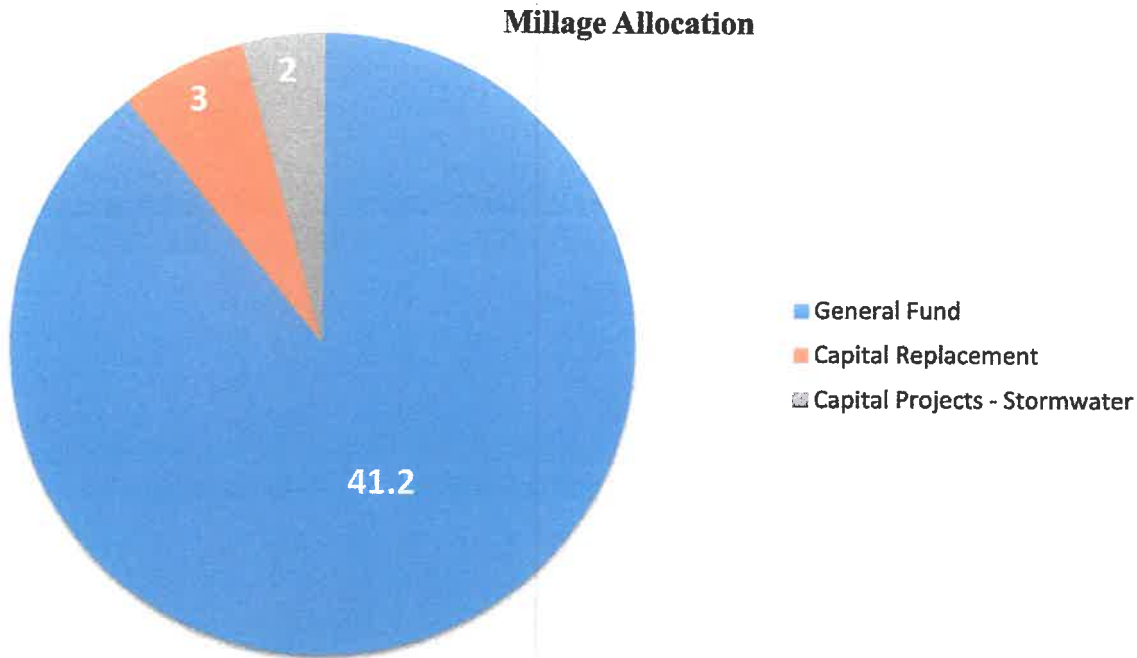


**TOWN OF SURFSIDE BEACH  
ACCOMMODATIONS TAX FUND  
BUDGET SUMMARY**

|   | <b>FY 2016</b>    | <b>FY 2017</b>    | <b>FY 2018</b>     | <b>FY 2018</b>     | <b>FY 2019</b>    |
|---|-------------------|-------------------|--------------------|--------------------|-------------------|
| <b>REVENUES</b>                               | <b>Actual</b>     | <b>Actual</b>     | <b>Adopted</b>     | <b>Projected</b>   | <b>Proposed</b>   |
| Accommodations Revenue                        | \$ 648,710        | \$ 693,934        | \$ 600,000         | \$ 650,000         | \$ 675,000        |
| Interest Earned                               | 238               | 354               | 200                | 325                | 350               |
| Special Event/Sponsorship/Donation            | 7,288             | 6,663             | -                  | 6,000              | -                 |
| Other Financing Sources/Sale of F/A           | -                 | -                 | -                  | -                  | -                 |
| <b>Total Revenues</b>                         | <b>\$ 656,236</b> | <b>\$ 700,951</b> | <b>\$ 600,200</b>  | <b>\$ 656,325</b>  | <b>\$ 675,350</b> |
| <b>EXPENDITURES</b>                           |                   |                   |                    |                    |                   |
| Police  | \$ 50,367         | \$ 62,398         | \$ 109,000         | \$ 129,000         | \$ 50,000         |
| Fire  | -                 | -                 | -                  | 30,000             | -                 |
| Public Works                                  | 7,663             | 61,150            | 8,500              | 8,500              | 9,000             |
| Events  | 69,530            | 71,464            | 66,250             | 66,250             | 53,750            |
| MB Chamber                                    | 176,613           | 185,680           | 157,500            | 157,500            | 187,500           |
| Non Departmental Grants                       | 5,600             | 12,500            | 27,000             | 27,000             | 34,500            |
| <b>Total Expenditures</b>                     | <b>\$ 309,773</b> | <b>\$ 393,192</b> | <b>\$ 368,250</b>  | <b>\$ 418,250</b>  | <b>\$ 334,750</b> |
| <b>Net Revenues (Expenditures)</b>            | <b>\$ 346,463</b> | <b>\$ 307,759</b> | <b>\$ 231,950</b>  | <b>\$ 238,075</b>  | <b>\$ 340,600</b> |
| <b>Transfer Detail</b>                        |                   |                   |                    |                    |                   |
| <b>Transfer to General</b>                    |                   |                   |                    |                    |                   |
| Transfer to General Police Salaries & OT      | \$ 103,000        | \$ 109,000        | \$ 115,200         | \$ 115,200         | \$ 147,600        |
| Transfer to General Fund A-tax Revenue        | 50,500            | 58,447            | 51,250             | 51,250             | 57,500            |
| Transfer to General Contractual Services      | 38,000            | 40,250            | 41,800             | 41,800             | 45,000            |
| Transfer to General OT Special Events         | 13,650            | 10,900            | 9,000              | 9,000              | 9,000             |
| <b>Total Transfers to General Fund</b>        | <b>\$ 205,150</b> | <b>\$ 218,597</b> | <b>\$ 217,250</b>  | <b>\$ 217,250</b>  | <b>\$ 259,100</b> |
| <b>Transfer to Other Funds</b>                |                   |                   |                    |                    |                   |
| Transfer to CP for Beach Renourishment        | \$ 91,397         | \$ 75,000         | \$ 75,000          | \$ 75,000          | \$ 75,000         |
| Transfer to Pier Fund Catastropic Restoration | -                 | -                 | -                  | -                  | -                 |
| <b>Total Transfer to Other Funds</b>          | <b>\$ 91,397</b>  | <b>\$ 75,000</b>  | <b>\$ 75,000</b>   | <b>\$ 75,000</b>   | <b>\$ 75,000</b>  |
| <b>Total Transfers</b>                        | <b>\$ 296,547</b> | <b>\$ 293,597</b> | <b>\$ 292,250</b>  | <b>\$ 292,250</b>  | <b>\$ 334,100</b> |
| <b>Net Change in Fund Balance</b>             | <b>\$ 49,916</b>  | <b>\$ 14,162</b>  | <b>\$ (60,300)</b> | <b>\$ (54,175)</b> | <b>\$ 6,500</b>   |
| <b>Fund Balance</b>                           |                   |                   |                    |                    |                   |
| Beginning Fund Balance                        | \$ 91,397         | \$ 141,313        |                    | \$ 155,475         | \$ 101,300        |
| Ending Fund Balance                           | \$ 141,313        | \$ 155,475        |                    | \$ 101,300         | \$ 107,800        |
| <b>Total Expenditures and Transfers</b>       | <b>\$ 606,320</b> | <b>\$ 686,789</b> | <b>\$ 660,500</b>  | <b>\$ 710,500</b>  | <b>\$ 668,850</b> |

## Anticipated Revenues and Millage Allocation

The Town's revenue sources are provided from taxes on real, personal and vehicle property; business licenses; permit fees; charges for services; and other miscellaneous collections. Although the Town has various revenue sources, the General Fund relies heavily on property taxes. The Town receives 46.2 mils from residents and businesses on real estate, personal property, and vehicles. A mil is worth approximately \$65,900. Forty-one point two mils remain in the General Fund for operations; salaries, benefits, property insurance, utilities and the materials and supplies to maintain the roads, parks, fire and police protection in the Town. In accordance with the fund balance ordinance, three mils are set aside to replace capital equipment (i.e., all equipment with a life expectancy exceeding five years) and two mils are transferred to the Capital Projects Fund to maintain the stormwater system.



The General Fund also receives business license fees, permit fees, parking fees and other miscellaneous fees for services rendered. Town Council passed an ordinance to implement declining rates in business licensing beginning with the license renewal in 2018. Although this will decrease associated revenue by approximately \$35,000, it is very important to ensure keeping our anchor businesses within the town limits. Transfers from other Town funds also help to maintain the revenues needed in the General Fund.

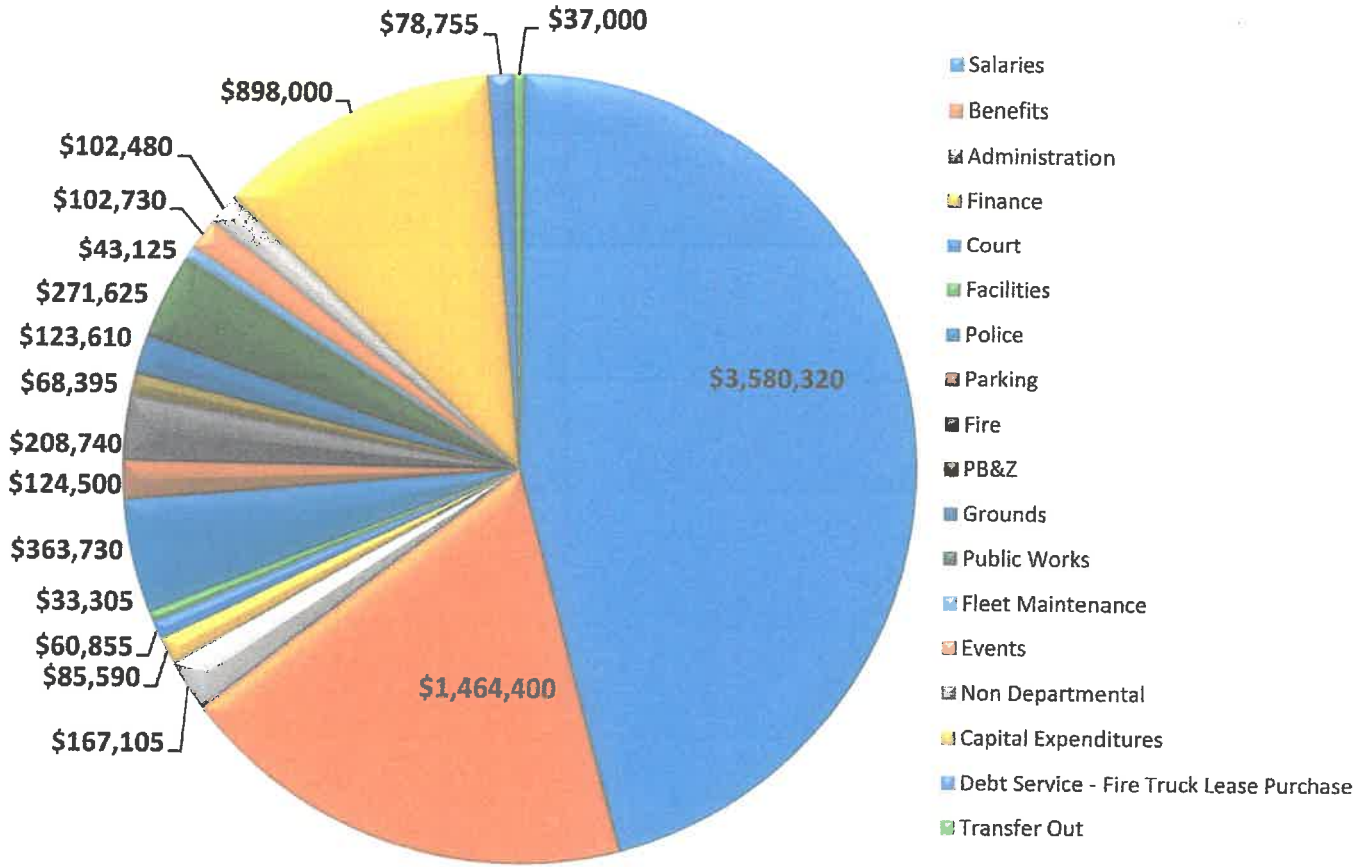
Revenue growth in the past two years has been minimal in the major revenue categories. Administration is a proponent of maintaining a conservative approach with regard to the forecasting of revenue. Consequently, that approach is reflected in the estimates used in preparing this budget.

The transfer of revenue from other funds to the General Fund has increased in recent years. Taxes on real estate, personal property, and vehicles account for the majority of General Fund revenues. Business licenses and building permits also account for a sizeable percentage as do franchise fees.

**TOWN OF SURFSIDE BEACH  
GENERAL FUND  
PARKING AND LAND RESERVE**

| <b>REVENUE AND EXPENDITURES</b>           | <b>FY 2018<br/>Adopted</b> | <b>FY 2018<br/>Projected</b> | <b>FY 2019<br/>Proposed</b> |
|---|----------------------------|------------------------------|-----------------------------|
| <b>Summary</b>                            |                            |                              |                             |
| Parking Fees                              | \$ 277,000                 | \$ 277,000                   | \$ 267,000                  |
| Citations                                 | 31,600                     | 31,600                       | 24,000                      |
| Other Parking Revenue                     | -                          | -                            | -                           |
| Total Revenue                             | <u>\$ 308,600</u>          | <u>\$ 308,600</u>            | <u>\$ 291,000</u>           |
| Less Expenditures                         | \$ 125,500                 | \$ 125,500                   | \$ 124,500                  |
| Purchase of Land                          | -                          | -                            | -                           |
| Net Revenue                               | <u>\$ 183,100</u>          | <u>\$ 183,100</u>            | <u>\$ 166,500</u>           |
| Reserve for Land Meters Beginning Balance | \$ 386,798                 | 386,798                      | \$ 569,898                  |
| Reserve for Land Meters Ending Balance    | <u><u>\$ 569,898</u></u>   | <u><u>\$ 569,898</u></u>     | <u><u>\$ 736,398</u></u>    |

**General Fund Salaries & Benefits and Expenditures by Department**



Total Expenditures \$7,814,495

## Capital Projects Fund

In the 2018-2019 the following capital projects are planned:

- Underground Utilities on Hwy 17 - \$1,426,000
- Hydrant Upgrades - \$37,000
- Mast Arms on Hwy 17 - \$ 115,000
- Upgrade 3<sup>rd</sup> Ave South and Underground Utilities - \$ 595,000
- Upgrade 1<sup>st</sup> Avenue North parking lot - \$25,000
- Road Paving using County Transportation Funds - \$250,000
- Upkeep on our lakes and drainage system to prevent future problems - \$95,000.

Underground projects are reimbursed by Santee Cooper for the underground wiring work. A small portion of the engineering (15%) is paid by the town.

The 3<sup>rd</sup> Ave South project is being funded by State grants and funds from the Hospitality Fund. The underground work being planned for this area will be reimbursed by Santee Cooper. The town will pay for a portion of the underground engineering.

There exists an ongoing project line item where funding cannot keep pace with needed expenditures, namely, stormwater. In any coastal municipality there will always exist stormwater issues and the price tag for these type of projects is almost always huge. A two mil dedicated funding source is clearly not enough to keep pace with these projects. There are currently three other stormwater projects that have been identified as priorities. These projects total over \$2,100,000 and include the ...

- Phase II of the Northside Drainage Project
- Floral Swash Northern Bulkhead Replacement
- Elimination of Stormwater Discharge into Garden City on Melody Lane

Moving forward, council may wish to consider either making property in the flood prone areas of town a special purpose tax district or the addition of a stormwater utility fee to fund these types of projects. These would be equitable ways for the town to allocate responsibility for its stormwater burdens. In the case of adding a stormwater utility fee, the consultant the town hired has indicated that the first year approximately \$235,000 would be returned to the town and, thereafter, once the fee was adjusted for commercial properties, the revenue would be closer to \$425,000. One additional advantage of these strategies is that they would allow for the millage currently assigned to Capital Projects for stormwater to be returned to the General Fund and would, subsequently, serve to postpone the need for a tax increase over the next couple of years. Ultimately, a new revenue source to fund stormwater projects is necessary.

### Funding Beach Renourishment

In order to fund beach renourishment going forward, I am proposing that the Town Council adopt changes to the fund balance ordinance reflected in the chart below. Specifically, those would be that A-Tax and Hospitality would each send \$75,000 to the Capital Projects Fund each year to the beach renourishment line item. In addition, beginning FY2019-2020, that the Pier Fund send \$50,000 to the same line item.

| Fiscal Year   | 2017      | 2018      | 2019      | 2020      | 2021        | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        |
|---------------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| A-Tax         |           | \$75,000  | \$75,000  | \$75,000  | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    |
| Hospitality   |           | \$75,000  | \$75,000  | \$75,000  | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    | \$75,000    |
| Pier          |           | \$ -0-    | \$ -0-    | \$50,000  | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000    |
| Total Per Yr. |           | \$150,000 | \$150,000 | \$200,000 | \$200,000   | \$200,000   | \$200,000   | \$200,000   | \$200,000   | \$200,000   | \$200,000   |
| Cumulative    | \$357,913 | \$507,913 | \$657,913 | \$857,913 | \$1,057,913 | \$1,257,913 | \$1,457,913 | \$1,657,913 | \$1,857,913 | \$2,057,913 | \$2,257,913 |



Town of Surfside Beach  
Expected expenses relating to Pier 2018-2019-2020

|                |    |                  |
|----------------|----|------------------|
| Expected       |    |                  |
| Collins Design | \$ | 208,700          |
| Collins Design |    | 436,850          |
| Hagerty        |    | 125,000          |
| Other          |    | 75,000           |
| Total          | \$ | <u>845,550</u>   |
| Changes        |    | 154,450          |
| Total          | \$ | <u>1,000,000</u> |
| Contingency    |    | 500,000          |
| Total          | \$ | <u>1,500,000</u> |

Millage Bank

Our millage bank at present is 5.65 mils which is tied to the increase in the Consumer Price Index (CPI). The population change for the Town of Surfside Beach for calendar year 2019 has not been determined as of this date and is reflected as 0 for this calculation. Using this information, the millage cap is 2.10 for the current year until the population figures are available in June.

**Millage Bank**

| Year       | CPI  | Population | Total Allowable Increase % | Mils |
|------------|------|------------|----------------------------|------|
| 2015-2016  | 1.62 | 2.10       | 3.72                       | 1.72 |
| 2016-2017  | 0.12 | 2.42       | 2.54                       | 1.17 |
| 2017-2018  | 1.26 | 2.62       | 3.88                       | 1.79 |
| 2018-2019  | 2.10 | TBD        | 2.10                       | .97  |
| Total Bank |      |            |                            | 5.65 |

In FY 2015-2016 the transfer to the Capital Projects Fund for stormwater related projects was increased to two mils. This proposed budget FY 2018-2019 assumes that two mils will be placed in the Capital Projects Fund primarily for stormwater purposes and there is no major stormwater projects funded in the 2018-2019 budget.

**Town of Surfside Beach**  
**Capital Replacement Schedule**  
**Budget 2018-2019**

| <b>Capital Replacement Reserve Balances</b> | <b>Projected<br/>2017-2018</b> | <b>Proposed<br/>2018-2019</b>                  |  |                                     |
|---|--------------------------------|--|--|-------------------------------------|
| Capital Reserve Balance                     | \$ 626,604                     | \$ 770,798                                     | per mill   |                                     |
| Expected/Adopted Additions (3 mils)         | 191,000                        | 197,700  | \$65,900   |                                     |
| Transfer from Hospitality                   |                                |  |  |                                     |
| Purchases                                   | (46,806)                       | (593,000)                                      |  |                                     |
| Ending Balance Capital Replacement Res      | \$ 770,798                     | \$ 375,498                                     |  |                                     |
|   |                                |  |  |                                     |
| 2017-2018 Purchases                         |                                |  |  |                                     |
| Dump Body                                   | 29,171                         |  |  |                                     |
| Gator Street                                | 7,635                          |  |  |                                     |
| HVAC  | 10,000                         |  |  |                                     |
|   |                                | <b>General Fund<br/>Proposed<br/>2018-2019</b> | <b>Hospitality Fund<br/>Proposed<br/>2018-2019</b> | <b>Total Proposed<br/>2018-2019</b> |
| Potential 2018-2019                         |                                |  |  |                                     |
| Fire Truck Scheduled 2018-2019              | \$610,000                      | \$ 305,000                                     | \$ 305,000   | Hospitality Fund                    |
| Pick up Fire pushed from 17-18              |                                | -  | 52,000   | Hospitality Fund                    |
| Police Patrol Vehicles                      |                                |  | 80,000   | Hospitality Fund                    |
| Pick up Grounds pushed from 17-18           |                                | 25,000   |  |                                     |
| Gator Grounds pushed from 17-18             |                                | 11,000   |  |                                     |
| Mower Street pushed from 17-18              |                                | 12,000   |  |                                     |
| Tractor Street                              |                                | 25,000   |  |                                     |
| Backhoe Street                              |                                | 70,000   |  |                                     |
| Boom Street                                 |                                | 85,000   |  |                                     |
| PW Building Mold                            |                                | 20,000   |  |                                     |
| HVAC  |                                | 10,000   |  |                                     |
| Digital Marquee Town Hall                   |                                | 30,000   |  |                                     |
|   | \$ 46,806                      | \$ 593,000                                     | \$ 437,000   | \$ 1,030,000                        |
|   |                                |  | -  |                                     |

# New Fire Engine

\$610,000.00



**New 5 Passenger Command Vehicle**

**\$52,000.00**



## Police – Capital Items

### Funding Request \$80,000 – Hospitality Fund

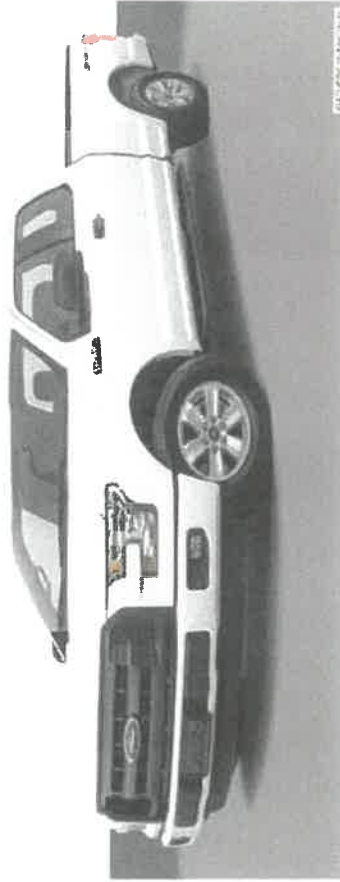
- Capital replacement plan for 2 police vehicles
- TOSB Comprehensive Plan calls for 1.5 replacement patrol units per year
- Both replaced vehicles have been rated in poor condition with 15% remaining use.



#### Replacement Vehicle for Patrol Unit. (Capital Replacement Plan)

- |   |                 |
|---|-----------------|
| • State Contract Ford 4DR SUV Police Package w/ tax | \$29,975        |
| • Equipment and Installation                        | \$ 8,675        |
| • Paint and Graphics                                | \$ 1,350        |
| • <b>Total Vehicle Cost(each)</b>                   | <b>\$40,000</b> |

# Capital Equipment



Grounds Pickup-\$25,000  
(Deferred 2 years)



Grounds Gator- \$11,000  
(Deferred 1 year)

# Capital Equipment



Streets Versaboom- \$85,000  
Arm, Counterweights, etc)



Street Mower- \$12,000



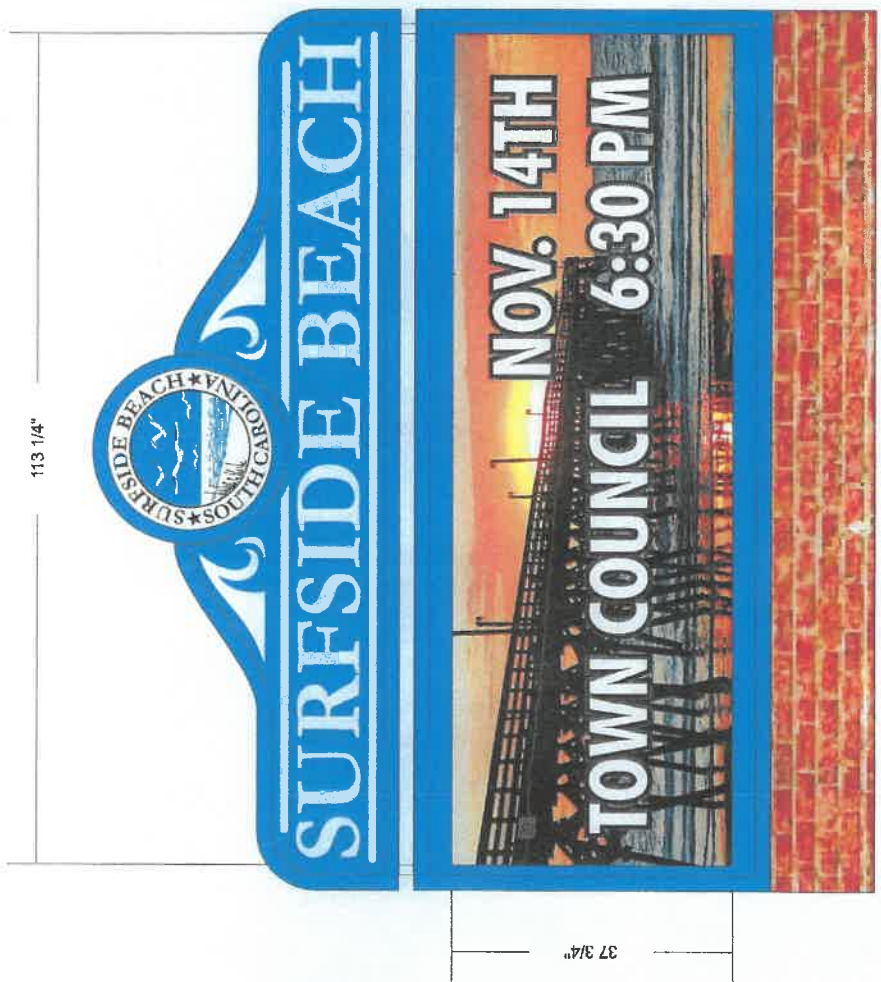
# Capital Equipment



Street Tractor- \$25,000  
Light Duty 2WD – for mowing

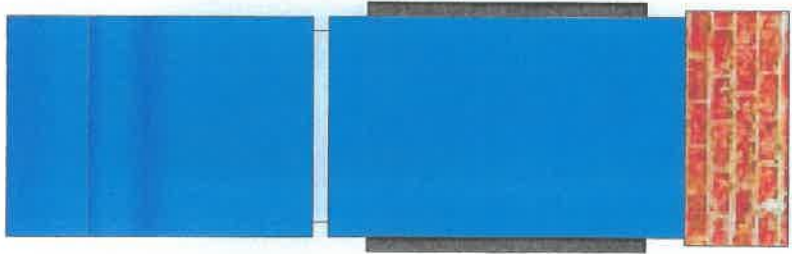


Street Backhoe- \$70,000  
(Alternate with A-Tax)



113 1/4"

37 3/4"



- double sided 16 mm full color electronic message center
- rework existing sign cabinet to receive new E/MC in place of existing marquee
- filler as req'd
- cloud based scheduling software
- wireless communication (typical)
- \* option for cellular connectivity available (includes 2 years cellular service)

**\$30,000 (e)**



**Customer Approval**

Upon approval of this rendering, all responsibilities of content of this rendering to well transferred to the consumer and authorization to proceed is considered to be given.

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| office use | office use |
|------------|------------|
| V          | Qty        |
| S          | Qty        |
| T/A        | Qty        |
| X          | Qty        |

Drawing # SSB\_mor-EMC-1

Date: 11/14/17

Town of Surfside Beach  
115 US-17 BUS, Surfside Beach, SC 29575



901 US Hwy 17 South, Surfside Beach SC • 843.748.0411 • aslservices48@gmail.com

# Capital Equipment



Sanitation Knuckleboom-  
\$150,000

**TOWN OF SURFSIDE BEACH  
GENERAL FUND  
CHANGES IN FUND BALANCE - FUND BALANCE SUMMARY  
BUDGET SUMMARY**

|   | FY 2017<br>Actual                          | FY 2018<br>Projected                          | FY 2019<br>Proposed                          |
|---|--|---|--|
| <b>Fund Balances</b>  |  |   |  |
| Beginning Balances  | \$ 3,311,540                               | \$ 4,233,432                                  | \$ 4,233,432                                 |
| Transfers (out)/in  | 921,892                                    | -   | -  |
| Ending Balance  | \$ 4,233,432                               | \$ 4,233,432                                  | \$ 4,233,432                                 |
|   | <b>Actual<br/>Ending Bal<br/>6/30/2017</b> | <b>Projected<br/>Ending Bal<br/>6/30/2018</b> | <b>Proposed<br/>Ending Bal<br/>6/30/2019</b> |
| <b>Fund Balances General Fund</b>                               |  |   |  |
| <b>NON-Spendable:</b>   |  |   |  |
| (Reserve) Inventory (Diesel, Oil, etc)                          | \$ 1,550                                   | \$ 1,550                                      | \$ 1,550                                     |
| (Reserve) Inventory (Vehicle Parts)                             | 14,001                                     | 14,001  | 14,001                                       |
| (Reserve) Prepaid   | 1,814                                      | 1,814   | 1,814  |
| Advance to Pier   | 244,500                                    | 81,500  | -  |
| <b>Restricted for:</b>  |  |   |  |
| (Designated) Victim's Advocate Program                          | 45,761                                     | 32,360  | 23,460                                       |
| <b>Committed For :</b>  |  |   |  |
| Designated for Disasters  | 400,000                                    | 800,000                                       | 800,000                                      |
| <b>Assigned to:</b>   |  |   |  |
| (Reserve) Capital Replacements (3mils)                          | 626,604                                    | 770,798                                       | 375,498                                      |
| Land and Meters   | 386,798                                    | 569,898                                       | 736,398                                      |
| Tree Mitigation   | -  | -   | -  |
| Indigent Defense Fund   | 5,000                                      | -   | -  |
| Unassigned:   | 2,507,108                                  | 1,961,511                                     | 2,280,711                                    |
| Total Fund Balance  | \$ 4,233,136                               | \$ 4,233,432                                  | \$ 4,233,432                                 |
| <b>Expenditure Coverage</b>                                     |  |   |  |
| Operating Expenditures plus Debt                                | \$ 6,269,627                               | \$ 6,941,315                                  | \$ 7,814,495                                 |
| Monthly Expenditures  | 522,469                                    | 578,443                                       | 651,208                                      |
| Months Expenditures Covered by Unassigned                       | 4.80                                       | 3.39  | 3.50   |
| Months Expenditures Covered by Committed, Assigned & Unassigned | 7.51                                       | 7.09  | 6.44   |

| Proposed FY Ending 2018-2019                 |                     |                    |                   |                     |                     |                    |
|--|---------------------|--------------------|-------------------|---------------------|---------------------|--------------------|
|  | General Fund        | Accomodations Fund | Hospitality Fund  | Local Accomodations | Capital Projects    | Total Government   |
| <b>Fund Balances</b>                         |                     |                    |                   |                     |                     |                    |
| <b>NON-Spendable:</b>                        |                     |                    |                   |                     |                     |                    |
| (Reserve) Inventory (Diesel,Oil,etc)         | \$ 1,550            |                    |                   |                     |                     | \$ 1,550           |
| (Reserve) Inventory (Vehicle Parts)          | 14,001              |                    |                   |                     |                     | 14,001             |
| (Reserve) Prepaid                            | 1,814               |                    |                   |                     |                     | 1,814              |
| Advance to Pier                              | -                   |                    |                   |                     |                     |                    |
| <b>Restricted for:</b>                       |                     |                    |                   |                     |                     |                    |
| Victim's Advocate Program                    | 23,460              |                    |                   |                     |                     | 23,460             |
| Tourism Related Expenditures                 |                     | 107,800            | 695,024           | -                   |                     | 802,824            |
| Street Improvements                          |                     |                    |                   |                     | 235,530             | 235,530            |
|  |                     |                    |                   |                     |                     | -                  |
| <b>Committed For :</b>                       |                     |                    |                   |                     |                     |                    |
| Disaster Recovery                            | 800,000             |                    |                   |                     |                     | 800,000            |
|  |                     |                    |                   |                     |                     | -                  |
| <b>Assigned to:</b>                          |                     |                    |                   |                     |                     |                    |
| Capital Replacements                         | 375,498             |                    |                   |                     | 153,951             | 529,449            |
| Land and Meters                              | 736,398             |                    |                   |                     |                     | 736,398            |
| Beach Renourishment                          |                     |                    |                   |                     | 657,912             | 657,912            |
| Unassigned:                                  | 2,280,711           |                    |                   |                     |                     | 2,280,711          |
| <b>Proposed Total Fund Balance 6-30-2019</b> | <b>\$ 4,233,432</b> | <b>\$ 107,800</b>  | <b>\$ 695,024</b> | <b>\$ -</b>         | <b>\$ 1,047,393</b> | <b>\$6,083,649</b> |

**TOWN OF SURFSIDE BEACH  
PROPOSED CONSOLIDATED BUDGET 2018-2019**

**Exhibit 1 Ordinance # 18-0871**

|   | Governmental<br>Operating<br>Budget | Enterprise<br>Operating<br>Budget | Total<br>Operating<br>Budget |
|---|-------------------------------------|-----------------------------------|------------------------------|
| <b>Revenues and Other Financing Sources</b> |                                     |                                   |                              |
| Property Taxes                              | \$ 3,075,080                        | \$ -                              | \$ 3,075,080                 |
| Licenses and Permits                        | 1,742,500                           | -                                 | 1,742,500                    |
| Franchise Fees                              | 651,050                             | -                                 | 651,050                      |
| Fines And Forfeitures                       | 111,000                             | -                                 | 111,000                      |
| Interest                                    | 6,450                               | 2,450                             | 8,900                        |
| Intergovernmental                           | 1,779,500                           | -                                 | 1,779,500                    |
| Parking                                     | 291,000                             | 137,000                           | 428,000                      |
| Other                                       | 2,602,395                           | 502,000                           | 3,104,395                    |
| Charges for Current Services                | -                                   | 1,526,000                         | 1,526,000                    |
| Transfers From Other Funds                  | 1,400,305                           | -                                 | 1,400,305                    |
| Net Use of Fund Balances                    | 674,005                             | -                                 | 674,005                      |
| <b>Total</b>                                | <b>\$ 12,333,285</b>                | <b>\$ 2,167,450</b>               | <b>\$ 14,500,735</b>         |
| <b>Expenditures/Expenses</b>                |                                     |                                   |                              |
| Salaries                                    | \$ 3,580,320                        | \$ 392,330                        | \$ 3,972,650                 |
| Benefits                                    | 1,464,399                           | 163,120                           | 1,627,519                    |
| General Government                          | 346,855                             | -                                 | 346,855                      |
| Public Safety                               | 758,470                             | -                                 | 758,470                      |
| Parking                                     | 124,500                             | -                                 | 124,500                      |
| Planning, Building and Zoning               | 68,395                              | -                                 | 68,395                       |
| Grounds                                     | 285,060                             | -                                 | 285,060                      |
| Street                                      | 301,625                             | -                                 | 301,625                      |
| Sanitation and Pier                         | -                                   | 1,465,865                         | 1,465,865                    |
| Intergovernmental Maintenance               | 43,125                              | -                                 | 43,125                       |
| Events                                      | 186,280                             | -                                 | 186,280                      |
| NonDepartmental                             | 324,710                             | -                                 | 324,710                      |
| Capital Outlay                              | 3,346,600                           | -                                 | 3,346,600                    |
| Debt Service                                | 78,755                              | -                                 | 78,755                       |
| Transfers To Other Funds                    | 1,289,955                           | 110,965                           | 1,400,920                    |
| Increase in Fund Net Assets                 | 134,235                             | 35,170                            | 169,405                      |
| <b>Total</b>                                | <b>\$ 12,333,285</b>                | <b>\$ 2,167,450</b>               | <b>\$ 14,500,735</b>         |
| Enterprise Capital Items (Sanitation only)  | -                                   | 150,000                           | 150,000                      |
| Less Interfund Transfers                    | (1,289,955)                         | (110,965)                         | (1,400,920)                  |
| <b>Grand Total</b>                          | <b>\$ 11,043,330</b>                | <b>\$ 2,206,485</b>               | <b>\$ 13,249,815</b>         |