

STATE OF SOUTH CAROLINA)	AN ORDINANCE OF THE TOWN OF SURFSIDE BEACH
)	
COUNTY OF HORRY)	TO AMEND CHAPTER 2, ADMINISTRATION, TO AMEND
)	
TOWN OF SURFSIDE BEACH)	ARTICLE VI, FINANCE TO ESTABLISH FUND BALANCES

Chapter 2, Administration, Article VI, Finance, Division 1 of the Code of Ordinances of the Town of Surfside Beach, South Carolina, is hereby amended to state:

DIVISION 1. GENERALLY

Section 2-185. Definitions.

Budgeted expenditure means a sum of money in the current fiscal year's town budget that is within the object of expenditure level of each of the town's funds and is allocated for a particular purpose and in which the purpose and cost thereof has been reviewed and properly approved by a majority vote of council members.

Non-budgeted expenditure means an intended or unintended cost for a particular purpose and in which the purpose and cost thereof is not included in the current fiscal year's town budget and is allowed under the preapproved authority of the administrator or his assignee or in which appropriate approval has been granted by town council.

Open-ended contract means any written contracts, purchase orders or agreements or modifications thereto allowing for future changes or additions to the amount contained in the contracts, purchase orders or agreements or modifications thereto.

SECTION 2-186. Deposits and Withdrawals

All monies of the Town shall be deposited in a bank or depository selected by the Town Council. All manual checks shall require a signature from any two of the following persons: the town administrator, the finance director, the mayor, or the mayor pro tempore.

Sec. 2-187. Funds Established and Purposes.

1. General Fund. This fund is to account for the operations of the town government that are not reported in another fund. The fund balance for the General Fund may have various classifications of fund balance that comprise a hierarchy based primarily on the extent to which the town is bound to honor constraints on the specific purposes for which amounts can be spent as follows:

(a) *Non-Spendable Fund Balance.* The portion of fund balance that is non-spendable and includes amounts that cannot be spent because they are either:

(i) Not in spendable form which includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale;

(ii) Legally or contractually required to be maintained intact. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

(b) *Restricted Fund Balance.* The portion of fund balance that is restricted for specific purposes which are externally imposed by creditors, grantors, contributors, laws, regulations, or imposed by

law through constitutional provisions or enabling legislation. The town's restricted funds are for the Victims Advocate Program and the Drug Enforcement Program.

(c) Committed Fund Balance. The portion of fund balance that has been "committed" for a specific purpose determined by an approved ordinance by Town Council, the town's highest level of decision making authority, before the end of the fiscal year. Commitments may be changed or lifted only by Town Council taking the same formal action by ordinance that originally imposed the constraint.

The Town Council establishes the following committed fund balance amounts for the General Fund:

Disaster Recovery Reserve. This committed fund balance is due to the town's coastal location and the associated risk for hurricanes and other natural disasters. The initial funding shall be four hundred thousand (\$400,000) dollars transferred from the unassigned balance in the General Fund. The goal is to achieve a balance of one million two hundred thousand (\$1,200,000) dollars by 2020. Use of these funds must be approved by a super-majority of Town Council. The balance of this reserve will be reviewed during the annual budget process.

(d) Assigned Fund Balance. The portions of fund balance that have been assigned for specific purposes that are not restricted or committed and that have been established by either an approved motion of Town Council before the report date.

Currently the Town has the following assigned fund balances within the General Fund:

(i) Assigned to Capital Replacements Reserve, which shall be for the replacement of vehicles, computer equipment and other assets with a life exceeding 5 years. This fund is assigned three (3) mills each year and expenditures are approved in the budget process. The expected balance of this fund is reviewed by Town Council during the budget review.

(ii) Land, Meters, and Parking Purposes Reserve, which shall receive net revenue from parking operations, however, not to include pier parking revenue, and shall be used to beautify parking areas, purchase and maintain parking equipment, pay for parking operations, and/or purchase additional land for parking.

(e) Unassigned Fund Balance. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. The Town Council desires to have sufficient working capital and a margin of safety to address cyclical fluctuations of revenues and expenses. The Town shall maintain an unassigned fund balance at the end of each fiscal year, which is approximately four months of General Fund expenditures.

2. Capital Projects Fund.

(a) The finance director shall set up and maintain a separate fund to be known as the capital projects fund.

(b) The capital projects fund will receive all **capital related debt proceeds**, tax millage and/or other revenue for special projects as designated in the approved budget.

(c) Payments for budgeted expenditures from the capital projects fund shall be authorized by two (2) signatories as prescribed in the town code.

(d) Reporting for the capital projects fund shall be included as a part of the regular monthly accounting report when a project is on-going.

- (e) The capital projects fund shall receive all designated revenue.
- (f) Restricted for Street Improvements. Annual vehicle registration fees received from Horry County are to be used for road improvements.
- (g) Assigned to Beach Renourishment Fund. The Hospitality and Accommodations Funds shall transfer funds to reserve for beach renourishment. Pursuant to Ordinance #14-0789, the Funds in aggregate shall transfer a minimum of fifty thousand (\$50,000) dollars annually to the beach renourishment fund balance. Reserves for beach renourishment shall be held in the capital projects fund.
- (h) The Town Council will determine the capital projects to be funded each year during the annual budget review and approval.

3. Special Revenue Funds. Special Revenue Funds are funds created to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. In the Town of Surfside Beach there are three special revenue sources: state accommodations taxes; local accommodations taxes (Town Code Section 4-119), and hospitality taxes (Town Code Section 4-91).

4. Enterprise Funds. Enterprise funds are required to have various components of net position that include: (a) net investment in capital assets, (b) restricted net position, and (c) unrestricted net position. . At no time may any enterprise fund's unrestricted net position go below four (4) months of anticipated expenses and transfers out.

(a) Sanitation Fund. The sanitation fund was created April 1, 1997. Unrestricted net position will be maintained at four (4) months of operating expenses and transfers out. Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance back into compliance.

(b) Pier Fund. The pier enterprise fund was established by Resolution #08-073. The pier fund is established to reflect all funds received from public admissions, rental lease revenue paid by its tenants, parking revenue from the pier parking lot, and any other applicable revenue received. This fund shall be used for maintenance and operation of the pier. Once the pier fund has paid off its debt to the General Fund, and is self-sufficient, thereafter the fund shall maintain a minimum of four (4) months of operating expenses and transfers out in the unrestricted net position category . Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance back into compliance.

5. Fund balances are estimated in the budgeting process. After the audit is published at the end of the fiscal year, all fund balance amounts will be reported to Town Council. Any shortfalls shall be required to be rebuilt to minimum levels during the next two fiscal years budget preparation process. In the event any fund balance is above the required minimum, then the difference may be used to fund activities, subject to Town Council prior approval.

Section 2-188. Publication of Town financial information.

(a) The town administrator, acting through the town finance department, shall publish by means of the internet the town's accounts payable check register in a manner that complies with federal and state laws concerning the privacy of information. Further, the town's finance department shall redact from any information such individual identifying data as may otherwise appear on records including, but not limited to the municipal court and business license department.

(b) Nothing in this section shall be interpreted as amending or waiving any provisions of Chapter 4, Business Licenses, Permits and Regulations or other provision of the Code except as specifically referenced herein; all requests for access to and copies of public records involving the town government,

its agencies and departments shall be processed and governed by the letter and spirit of the South Carolina Freedom of Information Act, S.C. Code 1976, § 30-4-10 et seq.

All other portions of Chapter 2 remain in full force and effect without change.

SEVERABILITY. If any provision, clause, sentence, or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of this article, which can be given effect without the invalid provision or application, and to this end the provisions of this article are declared to be severable.

EFFECT OF SECTION HEADINGS. The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this ordinance.

REPEAL AND EFFECTIVE DATE. All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed. This ordinance shall take effect immediately upon approval at second reading by the Town Council of the Town of Surfside Beach, South Carolina.

BE IT ORDERED AND ORDAINED by the Mayor and Town Council of the Town of Surfside Beach, South Carolina, in assembly and by the authority thereof, this 27th day of January 2015.

Douglas F. Samples, Mayor

David L. Pellegrino, Mayor Pro Tempore

Robert F. Childs, Town Council

Mark L. Johnson, Town Council

Mary Beth Mabry, Town Council

Ralph J. Magliette, Town Council

Randle M. Stevens, Town Council

Attest:

Debra E. Herrmann, CMC, Town Clerk

AMENDMENTS WITH ALL LANGUAGE INCLUDED AND ALL
CHANGES TRACKED

STATE OF SOUTH CAROLINA)	AN ORDINANCE OF THE TOWN OF SURFSIDE BEACH
COUNTY OF HORRY)	TO AMEND CHAPTER 2, ADMINISTRATION, TO AMEND
TOWN OF SURFSIDE BEACH)	ARTICLE VI, FINANCE TO ESTABLISH FUND BALANCES

WHEREAS, the Mayor and Town Council of the Town of Surfside Beach, in council duly assembled desire to amend Chapter 2, Administration, to amend Article VI, Finance to the Town Code of Ordinances; and

WHEREAS, At the June 14, 2014 Special Town Council meeting, Town Council concurred numerous recommendations, one of which was to adopt an ordinance that clearly defines financial policy identifying funds for beach renourishment, capital replacement, and other allocated monies; and

WHEREAS, At the June 14, 2014 Special Town Council meeting, Town Council directed the administrator to prepare an ordinance for council consideration as soon as practical that identifies sources of funds for beach renourishment, capital replacement, and other allocated funds along with numeric values to be debated by Town Council.

NOW, THEREFORE, Chapter 2, Administration, Article VI, Finance, Division 1 of the Code of Ordinances of the Town of Surfside Beach, South Carolina, is hereby amended to state:

DIVISION 1. GENERALLY

Section 2-185. Definitions.

Budgeted expenditure means a sum of money in the current fiscal year's town budget that is within the object of expenditure level of each of the town's funds and is allocated for a particular purpose and in which the purpose and cost thereof has been reviewed and properly approved by a majority vote of council members.

Non-budgeted expenditure means an intended or unintended cost for a particular purpose and in which the purpose and cost thereof is not included in the current fiscal year's town budget and is allowed under the preapproved authority of the administrator or his **delagee assignee** or in which appropriate approval has been granted by town council.

Open-ended contract means any written contracts, purchase orders or agreements or modifications thereto allowing for future changes or additions to the amount contained in the contracts, purchase orders or agreements or modifications thereto.

Sec. 2-186. Deposits and withdrawals. All monies of the town shall be deposited in a bank or depository selected by the town council and monies shall be drawn therefrom upon the signature of the finance officer or his designee, the mayor, the mayor *pro tempore*, or the town administrator. All pay vouchers shall be signed by the finance officer or his designee and either the mayor, the mayor *pro tempore*, or the town administrator.

SECTION 2-186. Deposits and Withdrawals

All monies of the Town shall be deposited in a bank or depository selected by the Town Council. All manual checks shall require a signature from any two of the following persons: the town administrator, the finance director, the mayor, or the mayor pro tempore. (*Adopted 10/28/2014, Ordinance #14-0790, see attached.*)

Sec. 2-187. *Funds Established and Purposes.*

1. **General Fund.** This fund is to account for the operations of the town government that are not reported in another fund. The fund balance for the General Fund may have various classifications of fund balance that comprise a hierarchy based primarily on the extent to which the town is bound to honor constraints on the specific purposes for which amounts can be spent as follows:

~~The Fund has balances reserved for specific purposes based on the specific restrictions placed on the funds sent to the town. There are other restrictions set by the Town Council to manage the Town in a prudent manner. Reserve funds have the following categories set by accounting standards:~~

(a) **(b) Non-Spendable Fund Balance.** The portion of fund balance that is non-spendable and includes amounts that cannot be spent because they are either:

(i) Not in spendable form which includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale;

(ii) Legally or contractually required to be maintained intact. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

~~There are other accounting classifications of funds to be maintained in the fund for items purchased during the fiscal year. These reserves are Non-Spendable Fund Balance. Amounts that are:~~

~~(i) Not in spendable form. "Not in spendable form" includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as long term amount of loans and notes receivable, as well as property acquired for resale; and~~

~~(ii) Legally or contractually required to be maintained intact. The corpus (or principal) of a permanent fund is an example of an amount~~

~~that is legally or contractually required to be maintained intact. The current non-spendable reserves are inventory of oil and fuel, prepaid items and the advance to other funds.~~

(b) ~~(d)~~ ***General Fund Restricted Fund Balance.*** The portion of fund balance that is restricted for specific purposes which are externally imposed by creditors, grantors, contributors, laws, regulations, or imposed by law through constitutional provisions or enabling legislation. The town's restricted funds are for the Victims Advocate Program and the Drug Enforcement Program.

~~The town's general fund restricted fund balance includes amounts that can be spent only for specific purposes stipulated by~~

- ~~i. External resource providers such as creditors (by debt covenants,) grantors, contributors, or laws or regulations of other governments; or~~
- ~~ii. Imposed by law through constitutional provisions or enabling legislation.~~

(c) ~~(a)~~ ***Committed Funds-Balance.*** The portion of fund balance that has been "committed" for a specific purpose determined by an approved ordinance by Town Council, the town's highest level of decision making authority, before the end of the fiscal year. Commitments may be changed or lifted only by Town Council taking the same formal action by ordinance that originally imposed the constraint. ~~Committed fund balance can be used only for the specific purposes determined by a formal action of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action that originally imposed the constraint. This ordinance establishes a Disaster/Emergency reserve to fund town operations, if an emergency were to impact the town.~~

The Town Council establishes the following committed fund balance amounts for the General Fund:

- (i) ***Disaster Recovery Reserve.*** This committed fund balance is due to the town's coastal location and the associated risk for hurricanes and other natural disasters. The initial funding shall be four hundred thousand (\$400,000) dollars transferred from the unassigned balance in the General Fund. The goal is to achieve a balance of one million two hundred thousand (\$1,200,000) dollars by 2020. Use of these funds must be

approved by a super-majority of Town Council. The balance of this reserve will be reviewed during the annual budget process.

~~*Disaster/Emergency Reserve.* This reservation of fund balance is committed by the Town Council due to the Town's coastal location, hurricanes, and other natural disasters, as well as economic changes that may severely impact the Town's ability to continue services.~~

(d) ~~(e)~~ *Assigned Fund Balance. The portions of fund balance that have been assigned for specific purposes that are not restricted or committed and that have been established by either an approved motion of Town Council before the report date.*

~~Currently the Town has the following assigned fund balances within the General Fund: Capital Replacement and Land, Meters and Parking Purposes. The assigned fund balance includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes that are neither considered restricted or committed.~~

~~*Assigned Funds.* The Town Council establishes the following assigned Fund Balances within the General Fund to be named the~~

~~(i) *Assigned to Capital Replacements Reserve*, which shall be for the replacement of vehicles, computer equipment and other assets with a life exceeding 5 years. This fund is assigned three (3) mils each year and expenditures are approved in the budget process. The expected balance of this fund is reviewed by Town Council during the budget review.~~

~~(ii) *Land, Meters, and Parking Purposes Reserve*, which shall receive net revenue from parking operations, however, not to include pier parking revenue, and shall be used to beautify parking areas, purchase and maintain parking equipment, pay for parking operations, and/or purchase additional land for parking.~~

(e) *Unassigned Fund Balance.* Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. The Town Council desires to have sufficient working capital and a margin of safety to address cyclical

fluctuations of revenues and expenses. The Town shall maintain an **unassigned fund balance at the end of each fiscal year, which is approximately four months of General Fund expenditures.** ~~a fund balance in General Fund at fiscal year end in which the total fund balance is 30 percent of total General Fund expenditures and~~

2. Capital Projects Fund.

(a) The finance director shall set up and maintain a separate fund to be known as the capital projects fund.

(b) The capital projects fund will receive all **capital related debt proceeds,** tax millage and/or other revenue for special projects as designated in the approved budget.

(c) Payments for budgeted expenditures from the capital projects fund shall be authorized by two (2) signatories as prescribed in the town code.

(d) Reporting for the capital projects fund shall be included as a part of the regular monthly accounting report when a project is on-going.

(e) The capital projects fund shall receive all ~~dedicated tax millage and other designated revenue.~~ **for the stormwater project and any subsequent capital project duly approved by town council.**

(f) ~~Any excess funds remaining after all disbursements have been made on any given capital project shall be transferred to the general fund for future maintenance of said improvement.~~

(f) **Restricted for Street Improvements. Annual vehicle registration fees received from Horry County are to be used for road improvements.**

(g)(f) ~~Assigned to Beach Renourishment Fund.~~ The Hospitality and Accommodations Funds shall transfer funds to reserve for beach renourishment. Pursuant to Ordinance #14-0789, the Funds in aggregate shall transfer a minimum of fifty thousand (\$50,000) dollars annually to the beach renourishment fund balance. Reserves for beach renourishment shall be held in the capital projects fund.

(h)(g) The Town Council will determine the capital projects to be funded each year during the annual budget review and approval.

3. Special Revenue Funds. Special Revenue Funds are defined, ~~these funds are created to account for and report~~ the proceeds of specific revenue sources that are restricted **or committed** to expenditures for specified purposes. In the Town of Surfside Beach there are three special revenue sources: state accommodations taxes; local accommodations taxes (Town Code Section 4-119), and hospitality taxes (Town Code Section 4-91).

4. Enterprise Funds. Enterprise funds are required to have various **components of net position that include: (a) net investment in capital assets, (b) restricted net position, and (c) unrestricted net position. . At no**

~~time may any enterprise fund's unrestricted net position go below four (4) months of anticipated expenses and transfers out. An unrestricted Net Position and a reserve for investment in capital assets. At no time may an unrestricted enterprise fund balance go below 33 percent of anticipated expenditures and transfers out.~~

(a) Sanitation Fund. The sanitation fund was created April 1, 1997. Unrestricted net **position** assets will be maintained at four (4) months of operating expenses and transfers out. Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance **back** into compliance.

(b) Pier Fund. The pier enterprise fund was established by Resolution #08-073. The pier fund is established to reflect all funds received from public admissions, rental lease revenue paid by its tenants, parking revenue from the pier parking lot, and any other applicable revenue received. This fund shall be used for maintenance and operation of the pier. Once the pier fund has paid off its debt to the General Fund, and is self-sufficient, thereafter the fund shall maintain a minimum of four (4) months of operating expenses and transfers out in the unrestricted **net position category**. Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance **back** into compliance.

5. Fund balances are estimated in the budgeting process. After the audit is published at the end of the fiscal year, all **fund balances amounts will be** ~~in reserves are to be~~ reported to Town Council. Any shortfalls shall be required to be rebuilt to minimum levels during the next two fiscal years budget preparation process. In the event **any** ~~the~~ fund balance is above the required minimum, then the difference may be used to fund activities, subject to Town Council prior approval.

Section 2-188. Publication of Town financial information.

(a) The town administrator, acting through the town finance department, shall publish by means of the internet the town's accounts payable check register in a manner that complies with federal and state laws concerning the privacy of information. Further, the town's finance department shall redact from any information such individual identifying data as may otherwise appear on records including, but not limited to the municipal court and business license department.

(b) Nothing in this section shall be interpreted as amending or waiving any provisions of Chapter 4, Business Licenses, Permits and Regulations or other provision of the Code except as specifically referenced herein; all requests for access to and copies of public records involving the town government, its agencies and departments

shall be processed and governed by the letter and spirit of the South Carolina Freedom of Information Act, S.C. Code 1976, § 30-4-10 et seq.

All other portions of Chapter 2 shall remain in full force and effect without change.

SEVERABILITY. If any provision, clause, sentence, or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of this article, which can be given effect without the invalid provision or application, and to this end the provisions of this article are declared to be severable.

EFFECT OF SECTION HEADINGS. The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this ordinance.

REPEAL AND EFFECTIVE DATE. All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed. This ordinance shall take effect immediately upon approval at second reading by the Town Council of the Town of Surfside Beach, South Carolina.

BE IT ORDERED AND ORDAINED by the Mayor and Town Council of the Town of Surfside Beach, South Carolina, in assembly and by the authority thereof, this 27th day of January 2015.

Douglas F. Samples, Mayor

David L. Pellegrino, Mayor Pro Tempore

Robert F. Childs, Town Council

Mark L. Johnson, Town Council

Mary Beth Mabry, Town Council

Ralph J. Magliette, Town Council

Randle M. Stevens, Town Council

Attest:

Debra E. Herrmann, CMC, Town Clerk

STATE OF SOUTH CAROLINA)
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 COUNTY OF HORRY)
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 TOWN OF SURFSIDE BEACH) AN ORDINANCE OF THE TOWN OF SURFSIDE BEACH
 TO AMEND CHAPTER 2, ADMINISTRATION, TO AMEND
 ARTICLE VI, FINANCE TO ESTABLISH FUND BALANCES

WHEREAS, the Mayor and Town Council of the Town of Surfside Beach, in council duly assembled desire to amend Chapter 2, Administration, to amend Article VI, Finance to the Town Code of Ordinances; and

WHEREAS, At the June 14, 2014 Special Town Council meeting, Town Council concurred numerous recommendations, one of which was to adopt an ordinance that clearly defines financial policy identifying funds for beach renourishment, capital replacement, and other allocated monies; and

WHEREAS, At the June 14, 2014 Special Town Council meeting, Town Council directed the administrator to prepare an ordinance for council consideration as soon as practical that identifies sources of funds for beach renourishment, capital replacement, and other allocated funds along with numeric values to be debated by Town Council.

NOW, THEREFORE, Chapter 2, Administration, Article VI, Finance, Division 1 of the Code of Ordinances of the Town of Surfside Beach, South Carolina, is hereby amended to state:

DIVISION 1. GENERALLY

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Non-budgeted expenditure means an intended or unintended cost for a particular purpose and in which the purpose and cost thereof is not included in the current fiscal year's town budget and is allowed under the preapproved authority of the administrator or his assignee or in which appropriate approval has been granted by town council.

Open-ended contract means any written contracts, purchase orders or agreements or modifications thereto allowing for future changes or additions to the amount contained in the contracts, purchase orders or agreements or modifications thereto.

SECTION 2-186. Deposits and Withdrawals

All monies of the Town shall be deposited in a bank or depository selected by the Town Council. All manual checks shall require a signature from any two of the following persons: the town administrator, the finance director, the mayor, or the mayor pro tempore.

Sec. 2-187. Funds Established and Purposes.

1. General Fund. This fund is to account for the operations of the town government that are not reported in another fund. The fund balance for the General Fund may have various classifications of fund balance that comprise a hierarchy based primarily on the extent to which the town is bound to honor constraints on the specific purposes for which amounts can be spent as follows:

(a) *Non-Spendable Fund Balance.* The portion of fund balance that is non-spendable and includes amounts that cannot be spent because they are either:

(i) Not in spendable form which includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale;

(ii) Legally or contractually required to be maintained intact. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

(b) *Restricted Fund Balance.* The portion of fund balance that is restricted for specific purposes which are externally imposed by creditors, grantors, contributors, laws, regulations, or imposed by law through constitutional provisions or enabling legislation. The town's restricted funds are for the Victims Advocate Program and the Drug Enforcement Program.

(c) *Committed Fund Balance.* The portion of fund balance that has been "committed" for a specific purpose determined by an approved ordinance by Town Council, the town's highest level of decision making authority, before the end of the fiscal year. Commitments may be changed or lifted only by Town Council taking the same formal action by ordinance that originally imposed the constraint.

The Town Council establishes the following committed fund balance amounts for the General Fund:

Disaster Recovery Reserve. This committed fund balance is due to the town's coastal location and the associated risk for hurricanes and other natural disasters. The initial funding shall be four hundred thousand (\$400,000) dollars transferred from the unassigned balance in the General Fund. The goal is to achieve a balance of one million two hundred thousand (\$1,200,000) dollars by 2020. Use of these funds must be approved by a super-majority of Town Council. The balance of this reserve will be reviewed during the annual budget process.

(d) *Assigned Fund Balance.* The portions of fund balance that have been assigned for specific purposes that are not restricted or committed and that have been established by either an approved motion of Town Council before the report date.

Currently the Town has the following assigned fund balances within the General Fund:

(i) *Assigned to Capital Replacements Reserve,* which shall be for the replacement of vehicles, computer equipment and other assets with a life exceeding 5 years. This fund is assigned three (3) mils each year and expenditures are approved in the budget process. The expected balance of this fund is reviewed by Town Council during the budget review.

(ii) *Land, Meters, and Parking Purposes Reserve,* which shall receive net revenue from parking operations, however, not to include pier parking revenue, and shall be used to beautify parking areas, purchase and maintain parking equipment, pay for parking operations, and/or purchase additional land for parking.

(e) *Unassigned Fund Balance.* Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. The Town Council desires to have sufficient working capital and a margin of

safety to address cyclical fluctuations of revenues and expenses. The Town shall maintain an unassigned fund balance at the end of each fiscal year, which is approximately four months of General Fund expenditures.

2. Capital Projects Fund.

(a) The finance director shall set up and maintain a separate fund to be known as the capital projects fund.

(b) The capital projects fund will receive all **capital related debt proceeds**, tax millage and/or other revenue for special projects as designated in the approved budget.

(c) Payments for budgeted expenditures from the capital projects fund shall be authorized by two (2) signatories as prescribed in the town code.

(d) Reporting for the capital projects fund shall be included as a part of the regular monthly accounting report when a project is on-going.

(e) The capital projects fund shall receive all designated revenue.

(f) Restricted for Street Improvements. Annual vehicle registration fees received from Horry County are to be used for road improvements.

(g) Assigned to Beach Renourishment Fund. The Hospitality and Accommodations Funds shall transfer funds to reserve for beach renourishment. Pursuant to Ordinance #14-0789, the Funds in aggregate shall transfer a minimum of fifty thousand (\$50,000) dollars annually to the beach renourishment fund balance. Reserves for beach renourishment shall be held in the capital projects fund.

(h) The Town Council will determine the capital projects to be funded each year during the annual budget review and approval.

3. Special Revenue Funds. Special Revenue Funds are funds created to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. In the Town of Surfside Beach there are three special revenue sources: state accommodations taxes; local accommodations taxes (Town Code Section 4-119), and hospitality taxes (Town Code Section 4-91).

4. Enterprise Funds. Enterprise funds are required to have various components of net position that include: (a) net investment in capital assets, (b) restricted net position, and (c) unrestricted net position. . At no time may any enterprise fund's unrestricted net position go below four (4) months of anticipated expenses and transfers out.

(a) Sanitation Fund. The sanitation fund was created April 1, 1997. Unrestricted net position will be maintained at four (4) months of operating expenses and transfers out. Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance back into compliance.

(b) Pier Fund. The pier enterprise fund was established by Resolution #08-073. The pier fund is established to reflect all funds received from public admissions, rental lease revenue paid by its tenants, parking revenue from the pier parking lot, and any other applicable revenue received. This fund shall be used for maintenance and operation of the pier. Once the pier fund has paid off its debt to the General Fund, and is self-sufficient, thereafter the fund shall maintain a minimum of four (4) months of operating expenses and transfers out in the unrestricted net position category . Should the balance fall below four (4) months, the Town Administrator will notify Town Council and determine a plan to bring the balance back into compliance.

5. Fund balances are estimated in the budgeting process. After the audit is published at the end of the fiscal year, all fund balance amounts will be reported to Town Council. Any shortfalls shall be required to be rebuilt to minimum levels during the next two fiscal years budget preparation process. In the event any fund balance is above the required minimum, then the difference may be used to fund activities, subject to Town Council prior approval.

Section 2-188. Publication of Town financial information.

(a) The town administrator, acting through the town finance department, shall publish by means of the internet the town's accounts payable check register in a manner that complies with federal and state laws concerning the privacy of information. Further, the town's finance department shall redact from any information such individual identifying data as may otherwise appear on records including, but not limited to the municipal court and business license department.

(b) Nothing in this section shall be interpreted as amending or waiving any provisions of Chapter 4, Business Licenses, Permits and Regulations or other provision of the Code except as specifically referenced herein; all requests for access to and copies of public records involving the town government, its agencies and departments shall be processed and governed by the letter and spirit of the South Carolina Freedom of Information Act, S.C. Code 1976, § 30-4-10 et seq.

All other portions of Chapter 2 remain in full force and effect without change.

SEVERABILITY. If any provision, clause, sentence, or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of this article, which can be given effect without the invalid provision or application, and to this end the provisions of this article are declared to be severable.

EFFECT OF SECTION HEADINGS. The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this ordinance.

REPEAL AND EFFECTIVE DATE. All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed. This ordinance shall take effect immediately upon approval at second reading by the Town Council of the Town of Surfside Beach, South Carolina.

BE IT ORDERED AND ORDAINED by the Mayor and Town Council of the Town of Surfside Beach, South Carolina, in assembly and by the authority thereof, this 27th day of January 2015.

Douglas F. Samples, Mayor

David L. Pellegrino, Mayor Pro Tempore

Robert F. Childs, Town Council

Mark L. Johnson, Town Council

Mary Beth Mabry, Town Council

Ralph J. Magliette, Town Council

Randle M. Stevens, Town Council

Attest:

Debra E. Herrmann, CMC, Town Clerk

November 2014 Surfside Beach Visioning Meeting

#	Dept	Headcount Increase Requested	\$/Year	Comments
1	Fire	Full time Fire Marshall	84,000	Includes salary, benefits, vehicle
2	PB&Z/PW	Full time code enforcement official	60,000	Includes salary + benefits
3	Police	Full time K-9 officer	37,500	Includes 10k savings in OT reduction
4	PW	Full time light equipment operator	36,000	Includes salary + benefits
TOTAL HEADCOUNT INCREASE ANUAL COST			217,500	Includes salaries + benefits

#	Dept	Possible New Revenue Sources	\$/Year	Comments
1	Fire	Innovapad accident reimbursement		No accurate estimate
2	Fire	Charge for fire inspections		No accurate estimate
3	PB&Z	Annexation in business district		No accurate estimate
4	PB&Z	Increase tree fines		No accurate estimate
5	Admin	Pier development (destination)		No accurate estimate
TOTAL POSSIBLE ANUAL REVENUE INCREASE			0	

#	Dept	Additional Resources Requested	\$/Year	Comments
1	Court	Bullet proof doors & metal detector	26,000	Includes entry room construction
2	Finance	Document management system	30,000	
3	Events	New Christmas decorations	12,448	
4	Fire	SCBA replacement	130,000	Grants possible???
5	Fire	Radio upgrades	27,000	Grants possible???
6	Fire	Mobile data terminals for engines (4)	33,600	\$300/mo for service
7	Fire	Develop traffic management team	450	Training cost not included
8	Fire	Beach rescue vehicle	14,700	Grants possible???
9	Fire	Expand junior firefighters from 5 to 10	7,250	Includes stipend + workers comp
10	Police	Purchase LED message board	15,000	
11	Police	Compensation study	2,000	Entry salary \$30k, not competitive
12	Police	Additional surveillance cameras	16,000	A-tax???
13	Police	Replacement beach truck	28,000	A-tax???
14	Police	Capital replacement- 3 police cars	92,000	Includes 2 patrol cars + detective car
15	Police	In car camera upgrades	40,000	
16	Police	Body camera upgrades	14,000	
17	PW	Mini excavator	30,000	
18	PW	Increase recycling unit line item	5,000	
19	PB&Z	Customer Service training		FREE & effective
TOTAL POSSIBLE ANUAL REVENUE INCREASE			523,448	

#	Dept	Major Expenditures Mentioned	\$/Year	Comments
1	Admin	Purchase lots at 3rd Ave S & Willow		No accurate estimate, A-tax???
2	Police	Police station renovation		No accurate estimate
3	PW	Sidewalk construction		County roads fund???
4	PW	Hwy 17/Surfside drive improvements		County roads fund???
5	Admin	Greenway/bike path through SB		County roads fund???
6	Admin	Town Hall campus upgrade		No accurate estimate
7	Admin	Ocean outfalls		County assistance???
8	Admin	Pier development		No accurate estimate
TOTAL POSSIBLE ANUAL REVENUE INCREASE			0	

#	Dept	Major Initiatives NOT Mentioned	\$/Year	Comments
1		The Family Beach marketing plan		
2		We're Open For Business marketing plan		
3		Human Resource Audits for consultant		
4		Business revitalization plan		
TOTAL POSSIBLE ANUAL REVENUE INCREASE			0	

Micki Fellner

From: Ralph Magliette <magliet@aol.com>
Sent: Saturday, January 03, 2015 6:16 PM
To: dougsamples@yahoo.com; BChilds@surfsidebeach.org;
randlemstevenssbt@gmail.com; marybethmabry@gmail.com;
markjohnson@surfsidebeach.org; dpellegrino@surfsidebeach.org
Cc: mfellner@surfsidebeach.org
Subject: Re: 2014 Visioning Plan

I agree.

My schedule is flexible as to meeting date and time.

FYI...on 12-Dec-2014 I requested from Micki a Summary of all 2014-2015 Budget Amendments, New Hires, and Consensus Spending Approvals.

The data will be input into an EXCEL Spreadsheet for ease of use and will be kept current.

This data is critical to our discussions as we move the process forward.

I believe that Micki will have that the requested data available early next week for our review.

Thanks!

-Ralph

Ralph Magliette
104 Harbor Lights Dr
Surfside Beach, SC 29575
Cell# 732-331-2289
Home# 843-839-2863
Email: magliet@aol.com

-----Original Message-----

From: Doug Samples <dougsamples@yahoo.com>

To: Childs Bob <BChilds@surfsidebeach.org>; 'The Hon. Randle M. Stevens' <randlemstevenssbt@gmail.com>; 'The Hon. Mary Beth Mabry' <marybethmabry@gmail.com>; The Hon. Ralph Magliette <magliet@aol.com>; Johnson Mark <markjohnson@surfsidebeach.org>; Pellegrino David <dpellegrino@surfsidebeach.org>

Cc: Fellner Micki <mfellner@surfsidebeach.org>

Sent: Sat, Jan 3, 2015 2:15 pm

Subject: Fwd: 2014 Visioning Plan

Happy New Year!

Mr. Pellegrino and Mrs. Mabry have expressed a desire to meet again and discuss priorities before spring and budget. I have not heard from anyone else. Please advise and feel free to suggest dates and times if you agree.

Thank you,

Doug Samples

Begin forwarded message:

From: David Pellegrino <pellldb@hotmail.com>

Date: December 22, 2014 at 5:34:01 PM EST

To: Debra Herrmann <dherrmann@surfsidebeach.org>, "The Hon. Bob Childs" <childsnyc99childs@aol.com>, Doug Samples <dougsamples@surfsidebeach.org>, Mark Johnson <markjohnson@surfsidebeach.org>, "The Hon. Mary Beth Mabry" <marybethmabry@gmail.com>, "The Hon. Ralph Magliette" <magliet@aol.com>, "The Hon. Randle M. Stevens"

<randlemstevenssbtc@gmail.com>, Mickie Fellner <mfellner@surfsidebeach.org>

Subject: 2014 Visioning Plan

Thanks for more input on the town needs. We met in November to discuss our vision for the years to come. In my opinion, it was an effective meeting where we were able to get many ideas on the table and begin to prioritize them. I attached the list of items we talked about, and highlighted in green the items that we felt needed more follow up. For some of them, we made specific actions for admin to work on in the upcoming months. However, for many others, we have not made any concrete plans to proceed. We still need more discussion on which items are the true priorities for this spring and the upcoming budget process. Please give it some thought, maybe we need to schedule one more workshop early next year to make sure we do all of the needed planning as we head into the 2015-2016 budget process.

HAVE A GREAT CHRISTMAS AND A HAPPY NEW YEAR!!!

Thanks,
David Pellegrino
843-902-6018

Visioning Additional Notes by Micki

#	Dept	Personnel Additions	\$/Year	Comments
1	PB&Z/PW	PT code enforcement official	30,000	Advertising now, plan to hire asap
2	PB & Z	GIS/CRS Flood	60,000	Includes salary + benefits, advertising now, plan to hire asap
3	Admin	Network Administrator	70,000	Includes salary + benefits/FT as of 7/1/15
4	PW	FT light equipment operator (PT now)	36,000	Includes salary + benefits/FT as of 7/1/15
Annual Increase to Payroll Cost			196,000	Includes salaries + benefits
#	Dept	Possible New Revenue Sources	\$/Year	Comments
1	Fire	Innovapad accident reimbursement	15,000	In progress/Waiting for approval of contract revisions
2	Fire	Charge for fire inspections	25,000	No accurate estimate/Dan estimated \$50K
3	PB&Z	Annexation in business district	5,000	For 100% less than \$5K per year
4	PB&Z	Increase tree fines	5,000	Last year \$5,400 total/Fines \$200 apiece
5	Admin	Pier development (destination)	50,000	If leasee does buildout then ≈ \$30K
Possible Revenues			100,000	
#	Dept	Additional Resources Requested	\$/Year	Comments
1	Court	Metal doors	4,250	3 doors installed
2	Finance	Document management system	30,000	All departments
3	Events	New Christmas decorations	12,500	\$10,000 if purchased now
4	Fire	SCBA replacement	130,000	Tom Z. looking at possible grants. Use Hospitality.
5	Fire	Radio upgrades	27,000	working with Aynor and Murrells Inlet for grant. Submitted and waiting for outcome.
6	Fire	Develop traffic management team	1,200	In progress
7	Fire	Expand junior firefighters from 5 to 10	7,250	Includes stipend (\$250) + workers comp (\$1,200)
8	P, B & Z	ArcGIS Software	15,000	1 license - this year
9	P, B & Z	Plotter	15,000	GIS overlays - this year
10	P, B & Z	PC and Monitors	5,000	2 telescope monitors/Power RAM PC with highend graphics card and heavy duty power supply - this year
11	Police	Purchase LED message board	15,000	
12	Police	Additional surveillance cameras	16,000	Asking A-tax
13	Police	Replacement beach truck	28,000	Asking A-tax for used truck (purchase from PW) this year
14	Police	Capital replacement- 3 police cars	92,000	Includes 2 patrol cars + detective car
15	Police	In car camera upgrades	40,000	
16	PW	Director truck	35,000	Sell current one to PD for beach truck (\$20K + \$9K)
17	PW	Mini excavator	30,000	
18	PW	Increase recycling unit line item	5,000	Already in place
Possible Expenditures			508,200	
#	Dept	Major Expenditures Mentioned	\$	Comments
1	Admin	Purchase lots at 3rd Ave S & Willow		No accurate estimate, sell 13th Avenue South (2 lots @ \$130-160K per lot)
2	Police	Police station renovation		No accurate estimate
3	Admin	Town Hall campus upgrade		No accurate estimate
4	Admin	Ernestine's building	125,000	Will approach in February
5	Admin	Greenway/bike path through SB		Clemson will work on plan starting fall 2015
6	Admin	Ocean outfalls		County assistance??? Start budgeting
7	PW	Sidewalk construction - 5th Ave. North		Street funds
8	PW	Surfside Drive improvements curb and gutter		Street funds
9	Admin	Pier development		Depends on square footage/Would try to get leasee to fund buildout
Possible Expenditures			125,000	
#	Dept	Major Initiatives NOT Mentioned	\$/Year	Comments
1		The Family Beach marketing plan		Ask the MB Chamber to write and fund (tv/web/print/radio)
2		We're Open For Business marketing plan		Ask the MB Chamber to write and fund (tv/web/print/radio)
3		Human Resource Audits for consultant	7,500	3 X per year as financial audit counts as fourth/waiting for additional quotes and information from MASC
4		Business revitalization plan		Looking for grants/Sabrina is trying to find out from Columbia planner where they got their federal façade dollars
			7,500	