

## **FINANCE COMMITTEE MEETING**

**April 3, 2014**

The Finance Committee of the Sullivan's Island Town Council met on April 3, 2014 at 11:00 am at Town Hall. All requirements of the Freedom of Information Act were met. Council present were Mayor Perkis, Councilman Clark, Councilwoman Cooper, and Councilman Kaynard. Staff present were Administrator Benke, Comptroller Blanton, Police Chief Howard, Fire Chief Anthony Stith and Assistant Fire Chief Chris McDaniel.

Committee Chair Mayor Perkis stated the purpose of the meeting was for review and preliminary discussion of the FY 2015 municipal budget.

Items of discussion included: proposed budget timeline, CPI as set by the State of South Carolina, capital requirements by department; employee health insurance premium; debt structure of 2014 Revenue bond; allocation of land sales revenue; and millage increase for FY2015. A summary of the discussion provided by Comptroller Jason Blanton is attached.

Motion was made by Councilwoman Cooper, seconded by Councilman Kaynard, to adjourn at 12:45pm, carried unanimously.

Respectfully submitted,

Ellen Miller

**Town of Sullivan's Island**  
**Finance Committee of Council**  
**FY 2015 Budget Discussion**

**FY 2015 Budget Decisions from Finance Committee of Council meeting on April 3, 2014:**

- **The operating millage rate increase would be the combination of the calendar year 2013 increase in CPI and the calendar year 2012 population growth. The combined increase is 3.35% or .9 mils.**
- **The salary increase for fiscal year 2015 will be 3%.**
- **An additional amount of \$10,000 was added to the capital items for an updated welcome sign.**
- **The millage increase for the 2014 G.O. bond will be equal to the amount needed for the FY 2015 debt service of \$77,695. Approximately 1.3 mils is needed to generate the amount of revenue to cover the debt service.**

**Town of Sullivan's Island  
Finance Committee of Council  
FY 2015 Budget Discussion**

**Proposed budget timeline:**

- **If necessary** budget workshop(s) with Finance Committee April 14<sup>th</sup> – April 18<sup>th</sup>
- First draft at Council meeting April 22<sup>nd</sup>
- First reading title only May 5<sup>th</sup> – special meeting of Council before workshop
- **If necessary** budget workshop(s) May 6<sup>th</sup> – May 13<sup>th</sup>
- Public hearing for budgets June 2<sup>nd</sup> – special meeting of Council before workshop
- Second Reading and Ratification June 17<sup>th</sup>

**Town of Sullivan's Island  
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**CPI & Millage Increase**

Calendar Year CPI Increase was 1.46% (We have not received a letter from the State regarding the change in population for calendar year 2013.)

FY 2014 Millage = 29.3 mils

Projected Property Tax Revenue for FY 2014 is \$1,725,000

**Millage Increase Last 3 Fiscal Years**

	<u>CPI</u>	<u>Population Growth</u>	<u>Increase Allowed</u>	<u>Increase Taken</u>	<u>Millage</u>
FY 2012	1.64%	-5.29%	1.64%	1.64%	27.8
FY 2013	3.19%	1.89%	5.05%	3.19%	28.7
FY 2014	2.07%	1.10%	3.17%	2.07%	29.3

**Fiscal Year 2015 Millage Increase**

	<u>Current CPI Increase</u>	<u>Prior Year(s) Growth</u>	<u>Millage Increase</u>	<u>Millage Rate Increase</u>	<u>Millage Rate</u>	<u>Revenue Increase</u>	<u>Estimated Revenue</u>
CY 2014 CPI plus CY 2012 Population Growth	1.46%	1.89%	3.35%	0.9	30.2	\$ 57,788	\$ 1,782,788

**Town of Sullivan's Island  
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**Capital Assets and Substantial Expenditures**

**Fire Department**

	<u>Cost</u>
Ladder Truck	\$ 1,000,000
Kubota Utility Vehicle	\$ 14,000
25% Matching Amount for Rescue Boat - Expecting to sell the larger rescue boat and the bus to off-set the cost of the new rescue boat.	\$ 77,000

**Police Department**

Replace 2 Explorers (Qualify for Replacement) - Equipment for New Explorers	\$ 66,000 \$ 20,000
Electronic Control Devices - 10 units with service agreement	\$ 20,000

**Maintenance Department**

No Capital Expenditures for FY 2015

**Administration Department**

Web-site Design	\$ 25,000
Re-codification	\$ 15,000
Digitize Records at old Town Hall	\$ 60,000
Amount for Welcome Sign	\$ 10,000

**Town of Sullivan's Island  
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**Employee Health Insurance**

	<b><u>FY 2014 Budget</u></b>	<b><u>FY 2014 Projected</u></b>	<b><u>FY 2015 Projection</u></b>
Fire Department	\$ 93,000	\$ 80,000	\$ 86,000
Police Department	65,000	58,000	60,900
Maintenance Department	19,000	23,000	25,000
Admin. Department	42,500	44,000	46,200
Building Department	<u>22,400</u>	<u>22,400</u>	<u>23,520</u>
	<b><u>\$ 241,900</u></b>	<b><u>\$ 227,400</u></b>	<b><u>\$ 241,620</u></b>

The anticipated increase for employee health insurance for 2015 is 4.5%.  
This increase takes place in January 2015.

Due to a difference in actual versus budgeted for FY 2014 and the minor increase in the rate, the expense projection for FY 2015 is a little less than the amount budgeted for FY 2014.

**Town of Sullivan's Island  
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**Funding Timeline Based on \$4,100,000 for 12 years at 1.8% (Interest Only for 2 Years)**

Year	Interest	Principal	Total	Sources						Loan Balance
				Paid by Residents						
				Savings on T.H. Operating	Millage	Dispatch Savings	G.O. Bond	Reserves or Other Sources	Additional Payments	
FY 2014	-	-	-	-	-	-	-	-	-	4,100,000
FY 2015	77,695	-	77,695	-	(77,695)	-	-	-	(77,695)	4,100,000
FY 2016	73,800	355,000	428,800	(30,000)	(120,000)	(76,590)	-	(202,210)	(428,800)	3,745,000
FY 2017	67,410	365,000	432,410	(30,000)	(120,000)	(93,432)	-	(188,978)	(432,410)	3,380,000
FY 2018	60,840	375,000	435,840	(30,000)	(120,000)	(93,432)	-	(192,408)	(435,840)	3,005,000
FY 2019	54,090	390,000	444,090	(30,000)	(120,000)	(93,432)	(200,000)	(658)	(444,090)	2,615,000
FY 2020	47,070	400,000	447,070	(30,000)	(120,000)	(93,432)	(200,000)	(3,638)	(447,070)	2,215,000
FY 2021	39,870	415,000	454,870	(30,000)	(120,000)	(93,432)	(200,000)	(11,438)	(454,870)	1,800,000
FY 2022	32,400	430,000	462,400	(30,000)	(120,000)	(93,432)	(200,000)	(18,968)	(462,400)	1,370,000
FY 2023	24,660	445,000	469,660	(30,000)	(120,000)	(93,432)	(200,000)	(26,228)	(469,660)	925,000
FY 2024	16,650	455,000	471,650	(30,000)	(120,000)	(93,432)	(200,000)	(28,218)	(471,650)	470,000
FY 2025	8,460	470,000	478,460	(30,000)	(120,000)	(93,432)	(200,000)	(35,028)	(478,460)	-
<b>TOTAL</b>	<b>502,945</b>	<b>4,100,000</b>	<b>4,602,945</b>	<b>(300,000)</b>	<b>(1,277,695)</b>	<b>(917,478)</b>	<b>(1,400,000)</b>	<b>(707,772)</b>	<b>(4,602,945)</b>	

1. Total amount paid by residents = 3,895,173

2. The G.O. Bond amount comes from the current G.O. bond debt service. In this example, \$200,000 of the debt service for the current G.O. bond will be used to fund the debt service on the new G.O. bond.