

TOWN OF SULLIVAN'S ISLAND
FINANCE COMMITTEE MEETING

2050 Middle Street – Fire Station Training Room
July 10, 2014

Mayor Perkis called the Finance Committee to order on July 10, 2014 at 12:07 p.m., and stated the public and press had been notified. In attendance were Mayor Perkis, Council members Jerry Kaynard, Chauncey Clark, Hartley Cooper, Susan Middaugh, Pat O'Neil, and Mary Jane Watson. Staff members Andy Benke and Jason Blanton were also in attendance. There were no members of the public in the audience. The purpose of the meeting was to review the projected revenues and expenses related to capital improvement projects (funding information attached).

Mayor Perkis began the meeting with discussion of estimated capital budget and cash requirements. With the 2014 revenue bond and the sale of 1607 Middle Street lot, there is approximately \$4.7 million cash on hand. Anticipated cash from the sale of four lots is approximately \$2.8 million, for a total of \$7.5 million.

Expenses (not including sewer projects) are the ladder truck, park bathrooms, sewer line, park improvements, generator and engineering, boathouse expansion, Town Hall/Police building, and furniture/fixtures/equipment (FFE). These total about \$5.2 million, with remaining revenue at about \$2.3 million. With that remaining revenue, and anticipated cash for the Sewer Fund of about \$3.8 million, that total anticipated cash for sewer capital projects is about \$6 million. That could fund the sewer capital project expense of \$4,500,000.

The large variables are whether the town lots will be sold and at what prices; and if the Hazard Mitigation Funds will be received.

Funds are available from the sewer capital improvement, water capital improvement, water operating, and the capital reserve if absolutely necessary. There is also an emergency reserve fund; however, that is slated for a hurricane or other disaster; and should not be used.

There was discussion of removing/scanning the files from old Town Hall in order to place that property for sale. It was decided to not proceed; and to get an appraisal on the Town lot on I'on Avenue, near the Town's two Middle Street lots already on the market; and to prepare an ordinance to sell that property. The Raven lots will continue to be on the market; but discussion will continue whether to take them off the market or possible reduce the price.

Motion was made by Councilman O'Neil, seconded by Councilman Clark, to adjourn, carried unanimously.

Respectfully submitted,
Ellen Miller



Approved 7-15-2014

ESTIMATED CAPITAL BUDGET AND CASH REQUIREMENTS

	CASH IN HAND		
1	2014 Revenue Bond	4,100,000.00	
2	1607 Middle Street	<u>574,750.00</u>	
3	Sub-Total Revenue	4,674,750.00	4,674,750.00
4			
5	ANTICIPATED CASH		
6	2618 Raven Drive	849,500.00	
7	2624 Raven Drive	849,500.00	
8	30?? Middle Street	738,500.00	
9	30?? Middle Street	<u>738,500.00</u>	
10		3,176,000.00	
11	Less 10% Broker and Sales Negotiation	<u>(310,760.00)</u>	
12	Sub-Total Anticipated Cash	2,865,240.00	<u>2,865,240.00</u>
13			
14	Total Anticipated Revenue		7,539,990.00
15			
16	EXPENSES		
17	Ladder Truck	1,001,000.00	
18	Park Bathrooms	20,000.00	
19	Sewer Line	75,000.00	
20	Park Improvements	40,000.00	
21	FFE	500,000.00	
22	Generator and Engineering	95,000.00	
23	Boathouse Expansion	50,000.00	
24	Town Hall - Police Building	<u>3,500,000.00</u>	
25	Sub-Total Expenses	5,281,000.00	<u>(5,281,000.00)</u>
26	REVENUE LESS ESTIMATED EXPENSES BEFORE SEWER PROJECTS		2,258,990.00
27			
28	ANTICIPATED CASH - SEWER FUND		
29	State Revolving Fund	1,600,000.00	
30	Potential Funds - Hazard Mitigation Fund - 75% of Cost of Project	<u>2,175,000.00</u>	
31	Sub-Total Anticipated Cash - Sewer	3,775,000.00	<u>3,775,000.00</u>
32			
33	ANTICIPATED CASH FOR SEWER CAPITAL PROJECTS		6,033,990.00
34			
35	EXPENSES		
36	Grouting Project	1,600,000.00	
37	Oxidation Ditch	<u>2,900,000.00</u>	
38		4,500,000.00	<u>(4,500,000.00)</u>
39			
40	DIFFERENCE - REVENUE OVER/(UNDER) EXPENSES		<u>1,533,990.00</u>

7/10/2014

PROJECTED OUTFLOWS FOR CAPITAL PROJECTS

Projects:	PROJECT COSTS	FY 2015				FY 2016				TOTAL
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	OUTFLOWS
Town Hall										
Construction	4,000,000	100,000	650,000	1,600,000	1,100,000	400,000	150,000			4,000,000
Other Related Expenses	170,000			70,000		70,000	30,000			170,000
Additional Storage	50,000							50,000		50,000
Fire Trucks:										
Ladder Truck	1,001,000			1,001,000						1,001,000
Park Improvements										
Park	40,000							40,000		40,000
Bathrooms	20,000						20,000			20,000
I&I Phase 1	1,600,000			800,000	800,000					1,600,000
Oxidation Ditch/ Headworks										
Ditch	2,500,000	50,000	200,000	300,000	500,000	500,000	500,000	200,000	250,000	2,500,000
Related Components	400,000						250,000	150,000		400,000
TOTAL OF PROJECTS	9,781,000									9,781,000

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

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 ¹					
				Savings on T.H. Operating	Millage	Dispatch Savings	G.O. Bond ²	Reserves or Other Sources	
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)	3,745,000
FY 2017	67,410	365,000	432,410	(30,000)	(120,000)	(93,432)	.	(188,978)	3,380,000
FY 2018	60,840	375,000	435,840	(30,000)	(120,000)	(93,432)	.	(192,408)	3,005,000
FY 2019	54,090	390,000	444,090	(30,000)	(120,000)	(93,432)	(200,000)	(658)	2,615,000
FY 2020	47,070	400,000	447,070	(30,000)	(120,000)	(93,432)	(200,000)	(3,638)	2,215,000
FY 2021	39,870	415,000	454,870	(30,000)	(120,000)	(93,432)	(200,000)	(11,438)	1,800,000
FY 2022	32,400	430,000	462,400	(30,000)	(120,000)	(93,432)	(200,000)	(18,968)	1,370,000
FY 2023	24,660	445,000	469,660	(30,000)	(120,000)	(93,432)	(200,000)	(26,228)	925,000
FY 2024	16,650	455,000	471,650	(30,000)	(120,000)	(93,432)	(200,000)	(28,218)	470,000
FY 2025	8,460	470,000	478,460	(30,000)	(120,000)	(93,432)	(200,000)	(35,028)	.
TOTAL	502,945	4,100,000	4,602,945	(300,000)	(1,277,695)	(917,478)	(1,400,000)	(707,772)	(4,602,945)

1. Total amount paid by residents = 3,855,173

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.

June 30, 2014
Cash & Investment Balances (Unreconciled)

CHECKING ACCOUNTS	\$ 5,809,583.32
MONEY MARKET - 2014 GO BOND FUNDS	4,102,404.53
SC LOCAL GOVERNMENT INVESTMENT POOL	203,688.11
INVESTMENTS	150,001.16
CASH ON HAND	<u>600.00</u>

TOTAL CASH & INVESTMENTS: \$ 10,266,277.12

Unassigned:	
Operating	\$ 2,920,187.95
2014 GO Bond Funds	4,102,404.53
Capital Improvements Reserve	336,500.00
Emergency Reserve	1,025,000.00

Assigned:	
William Bradley Memorial Fund	20,000.00

Committed:

Restricted:

County Accommodations Tax Funds - County Deputies	37,005.00
Land Trust Fund	35,118.25
Confederate Memorial Fund	3,151.84
Victim's Rights Fund	<u>67,046.58</u>

Total Cash & Investment Accounts \$ 8,546,414.15

PETTY CASH:

Petty Cash	<u>\$ 400.00</u>
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TOTAL GENERAL FUND \$ 8,546,814.15

Operating	\$ 104,023.57
Capital Improvement Fund Sewer	72,233.51
Sewer Depreciation Fund	<u>36,343.53</u>

Total Sewer Fund \$ 212,600.61

Operating	\$ 736,561.45
Capital Improvement Fund Water	177,449.47
CWS CIP Improvements Fund	176,910.20
Water Depreciation Fund	46,143.27
Petty Cash	<u>200.00</u>
Total Water Fund	\$ <u>1,137,264.39</u>

Unreserved	\$ <u>265,020.43</u>
Total Hospitality Tax Fund - Restricted	\$ <u>277,096.99</u>

Unreserved	\$ <u>58,232.54</u>
Total Local Accommodations Tax Fund -	\$ <u>57,929.38</u>

Tree Bank Fund - Committed	\$ <u>34,571.60</u>
Total Tree Fund	\$ <u>34,571.60</u>
TOTAL CASH & INVESTMENTS:	\$ <u>10,266,277.12</u>

1% Firemen's Fund - First Federal Money Market	\$ <u>130,693.05</u>
Total 1% FIREMEN'S FUND	\$ <u>130,693.05</u>