



COUNTY COUNCIL OF BEAUFORT COUNTY  
 ADMINISTRATION BUILDING  
 BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX  
 100 RIBAUT ROAD  
 POST OFFICE DRAWER 1228  
 BEAUFORT, SOUTH CAROLINA 29901-1228  
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 www.bcgov.net

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THOMAS J. KEAVENY, II  
 COUNTY ATTORNEY

ASHLEY M. BENNETT  
 CLERK TO COUNCIL

AGENDA  
 FINANCE COMMITTEE

Monday, May 1, 2017  
 2:00 p.m.

Executive Conference Room, Administration Building  
 Beaufort County Government Robert Smalls Complex  
 100 Ribaut Road, Beaufort

Committee Members:  
 Jerry Stewart, Chairman  
 Michael Covert, Vice Chairman  
 Rick Caporale  
 Gerald Dawson  
 Brian Flewelling  
 Steven Fobes  
 Stu Rodman

Staff Support:  
 Suzanne Gregory, Employee Services Director  
 Alicia Holland, CPA, Assistant County Administrator-Finance  
 Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – 2:00 P.M.
2. DISCUSSION / BEAUFORT COUNTY / FISCAL YEAR 2017-2018 BUDGET PROPOSAL  
 (County)  
 (Fire Districts)  
 (County Auditor)  
 (Palmetto Breeze)  
 (Hilton Head Island Recreation Association)
3. DISCUSSION / BEAUFORT COUNTY SCHOOL DISTRICT / FISCAL YEAR 2017-2018  
 OPERATING BUDGET PROPOSAL (backup)
4. DISCUSSION / TECHNICAL COLLEGE OF THE LOWCOUNTRY / LOWCOUNTRY  
 CULINARY INSTITUTE (backup)
5. ADJOURNMENT

2017 Strategic Plan Committee Assignments  
 USC-Beaufort/TCL Campus Building  
 Comprehensive Impact Fee Review  
 Priority Investment – Capital Projects Long-Term Prioritized Requirements  
 Comprehensive Financial Plan: Revenues and Expenditures  
 Salary and Compensation Study Implementation  
 Reserve Policy: Revision  
 Countywide Information Technology Plan  
 Budget FY 2017-2018: Tax



# FY2017-2018 BUDGET

April 24, 2017



# FY2017-2018 Budget

## Identification of Budget Priorities

### I. Retreat Priorities

- A. South Carolina Retirement System Increases - \$1,200,000
- B. Reduction in Local Government Fund - \$600,000
- C. Full Implementation of Salary and Compensation Survey - \$600,000
- D. First Year Step/Merit Increases - \$1,900,000
- E. Recurring Capital for IT Infrastructure - \$1,000,000

## Post Budget Release Changes:

Increase in Health Insurance  
Stop-Loss Premiums - 6% (\$300,000)



# FY2017-2018 Budget

## FY2016-2017/FY2017-2018 Revenue Comparison

### Non-Ad Valorem Revenue

**FY2015-2016**

**\$26,852,051**

**FY2016-2017**

**\$26,952,051**

**Adjustments include:  
Charges for Services**

**\$100,000**



# FY2017-2018 Budget

## FY2016-2017/FY2017-2018 Revenue Comparison

### Ad Valorem Tax Collections

**FY2016-2017**

**\$89,416,574**

**FY2017-2018**

**\$95,935,749**

### Adjustments Include:

**Growth (3.0%) - \$2,682,468**

**Proposed Milage increase – +2.12**



# FY2017-2018 Budget

## FY2016-2017/FY2017-2018 Expenditures Comparison

### County Administrations Operations

**FY2016-2017**

**\$71,280,306**

**FY2017-2018**

**\$72,367,306**

#### Adjustments include:

Records Management	-\$15,000	Public Works	\$430,000
Detention Center	\$50,000	Assessor	\$35,000
Library	\$31,000	Employee Services	-\$183,000
Information Technology	\$225,000	Legal	-\$4,000
GIS	\$10,000	Public Defender	\$120,000
Animal Services	\$70,000	Traffic	-\$60,000
Planning & Zoning	\$70,000*	Building Codes	\$50,000
Purchasing	-\$12,000	Passive Parks	\$140,000
Grant Writer	\$75,000	Economic Development	\$40,000

# FY2016-2017 Budget

## County Administrations Operations Breakout

**Public Works** **\$430,000**

- Solid Waste

- Increase in disposal costs due to increase in volume of solid waste being disposed

- No revenue being generated from recycling

**Information Technology** **\$225,000**

- Staffing Needs

- Project Manager

- Network Security Analyst

- Microsoft License Fees



# FY2016-2017 Budget

## County Administrations Operations Breakout

### Passive Parks

**\$140,000**

- Hire Director
  - Benefits
  - Computer/Cell Phone, etc.
  - Vehicle

### Public Defender

**\$120,000**

- Salary adjustments to retain personnel
- Hiring of 1 Additional FTE



# FY2016-2017 Budget

## County Administrations Operations Breakout

### Administration

- Records Management - (\$15,000)
  - Reduction in services contracts due to digitizing of records
- Detention Center - \$50,000
  - Increase in inmate medical services costs
- Library - \$31,000
  - Conversion of 1PTE to 1FTE
- GIS - \$10,000
  - Increase in Pictometry Licensing Costs
- Animal Services - \$70,000
  - Increase in spay and neuter costs
  - Increase in medical/veterinary costs



# FY2016-2017 Budget

## County Administrations Operations Breakout

### Administration Continued

- Planning and Zoning \$70,000
  - Additional FTE for Affordable Housing
- Purchasing (\$12,000)
  - Reduction in costs for online vendor registration and bidding system
- Finance \$75,000
  - Additional FTE for Grants Writer
- Assessor \$35,000
  - Overtime Associated with 5 year Reassessment
- Legal (\$4,000)
  - Reduction in operational expenses



# FY2016-2017 Budget

## County Administrations Operations Breakout

### Administration Continued

- Traffic Management (\$60,000)
  - Replacement of specialty equipment complete
- Building Codes \$50,000
  - New FTE for Assistant Flood Plain Manager



**ANY QUESTIONS?**



# BLUFFTON TOWNSHIP FIRE DISTRICT

357 FORDING ISLAND ROAD  
BLUFFTON, SOUTH CAROLINA 29909  
843-757-2800 • FAX 843-757-7305

April 25, 2017

Councilman XXXXXX  
XXXXXXXXXXXXXXXXXX  
Bluffton, SC 29909  
VIA E-mail

## **RE: Bluffton Township Fire District FY2018 Budget Request**

Dear Councilman XXXXX,

I hope this letter finds you well. Please find attached the FY2018 budget request for the Bluffton Township Fire District. This request was approved for submittal to the County Council by the Fire Board on April 18, 2017. There are some contingencies in the request which pertain to two (2) new administrative positions and six (6) new operations positions for the next Bluffton fire station which will be located off of Hampton Parkway to serve the growing area. The Hampton Lake community is nearing the five (5) mile ISO insurance line and is continuing to build at a rapid pace. It is my concern that if the station is not constructed by FY2020 the District will experience a similar problem to that encountered in Palmetto Bluff and Colleton River. The Hampton Parkway station is an item in the District's current Strategic Plan.

In the position request for the Firefighters there is reference to SAFER grant funding. SAFER stands for Staffing for Adequate Fire and Emergency Response and is a federally funded grant program. The District is pursuing a SAFER grant to staff the new fire station and we estimate the savings to our taxpayers to be approximately 1.3 million dollars. In the event the SAFER grant is not awarded, the District will phase in the hiring over the next three fiscal years to ease the salary burden on any one year and allow revenues to catch up to the growth. I plan on bringing the full station package to the Council soon and am meeting with County staff to prepare.

The budget request attached does not require a tax increase. Although it appears the revenue projected by the first run of numbers is slightly less than the expenditures, none of the new positions requested will be staffed until January 2018 to provide adequate time to track actual revenue and make adjustments. Historically, the numbers provided for guidance each year are very conservative and actual revenues generally exceed the projections.

Should you have any questions or wish to discuss the budget request further please do not hesitate to call on me. I look forward to answering any questions you may have. I appreciate your continued support of the Fire District.

Respectfully,

John W. Thompson, Jr.  
Fire Chief

## Bluffton Township Fire District – Budget Request FY2018

<b>FY2017</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Millage Rate</b>
Operations	\$12,873,433	\$12,789,870	24.64
Debt Service	\$574,700	\$567,720	1.10
TOTAL			25.74
<b>FY2018</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Millage Rate</b>
<b>Operations</b>	\$13,663,186	\$14,032,311	24.70
<b>Debt Service</b>	\$572,000	569,000	1.04
TOTAL			25.74

- The Bluffton Township Fire District requests \$14,032,311 (24.70 mils) to fund the operational needs of the fire department for FY2018.
- The Bluffton Township Fire District requests \$572,000 (1.04 mils) to fund the debt service requirements of the fire department for FY2018.
- The operating request includes the following:
  - 1.67% longevity increases for those who qualify. (minimum 1 year of service)
  - 1.33% cost of living adjustments for all line employees (Recruit Firefighter – Line Battalion Chief)
  - Up to 1.33% merit increases for all Administrative Staff based on performance.
  - Up to a 4% increase in health insurance costs based on trend information. This will likely be lower and possibly even flat. However, it is June before the final numbers are available and we budget conservatively.
  - Slight increases in payroll taxes due to the increases in salary as there was no change from the Federal Government on employer withholding rates.
  - 2% increases in state retirement as the South Carolina Public Employees Benefit Authority (PEBA) substantially increased its withholding requirements on employers in an effort to shore up the state pension systems (SCRS and PORS).
  - Slight increases in Worker’s Compensation insurance from the State Accident Fund.
  - Routine increases of up to 10% in all utility areas such as internet service electric, water and sewer, pest control, and garbage collection. These increases result from standard rate increases from our vendors but also include the addition of the new fire station 36 (Colleton River) as the District will assume liability for utilities once the station is completed in mid FY18.
  - Routine increases up to 5% in the costs to train employees based on increases from vendors providing training services such as the South Carolina Fire

Academy, the National Registry of Emergency Medical Technicians, the Alabama Fire College, the National Fire Academy, and the Health and Safety Institute.

- Routine increases in the costs of professional services such as liability insurance on District vehicles and facilities, and our auditor.
- The Administration realizes the projected revenues do not meet the expenditure level requested. In the event, revenue collections are not keeping pace with expenditures, the Administration will take the necessary steps to limit the amount of expenditures to match the revenue stream. The following items are prioritized for defunding should the need arise:
  - **First Priority for Removal – Facilities Maintenance Technician:** The hiring of an additional position for facilities maintenance. This position will be placed on hold until at least January 2018 to verify funding is adequate. In the event funding is not adequate the position will be removed from the FY2018 operating budget and reassessed for FY2019. Total cost savings to the District - \$83,500.
  - **Second Priority for Removal – Medical Training Officer:** The hiring of a medical training officer to assist the Training Division will be placed on hold until at least January 2018 to verify funding is adequate. In the event funding is not adequate the position will be removed from the FY2018 operating budget and reassessed for FY2019. Total cost savings to the \$88,000.
  - **Third Priority for Removal – New Hires for the Hampton Parkway Fire Station:** In the event the District receives the SAFER grant for the staffing, the positions will remain in the budget as the majority of the cost is paid for through the grant program. In the event the District does not receive the SAFER grant, the six (6) initial positions will be evaluated in January 2018 as to the availability of funding. If the revenue stream will not support the hiring of the positions, one (1) or more may be deferred to FY2019. Total cost savings to the District - \$218,000.

DAUFUSKIE ISLAND FIRE DISTRICT  
PERSONNEL COST FY 2018

	ACTUAL BUDGET FY' 2016	ACTUAL BUDGET FY' 2017	PROPOSED BUDGET FY' 2018
PERSONNEL COST			
50020 SALARIES AND WAGES	<u>657,016</u>	<u>670,998</u>	<u>682,204</u>
<b>TOTAL PAYROLL</b>	<b>657,016</b>	<b>670,998</b>	<b>682,204</b>
 <b>EMPLOYEE BENEFITS:</b>			
50100 FICA @ 6.2%	40,735	41,602	42,296
50110 MEDICARE @1.45%	9,527	9,729	9,891
50130 RETIREMENT @14.74%	87,646	89,111	100,557
50140 GROUP HEALTH INS	183,600	183,600	197,761
50150 WORKERS COMP	38,000	39,000	39,000
50170 EMPLOYER UNEMPLOYMENT @0.837% OF \$156,000	<u>1,306</u>	<u>1,306</u>	<u>1,306</u>
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>360,814</b>	<b>364,348</b>	<b>390,811</b>
 TOTAL PERSONNEL COST	 1,017,830	 1,035,346	 1,073,015
 TOTAL OPERATING COST	 107,267	 107,267	 107,267
 <b>GRAND TOTAL</b>	 <b>1,125,097</b>	 <b>1,142,613</b>	 <b>1,180,282</b>

**The increase in this budget reflects the following:**

1.67 % longevity for firefighters.

Health insurance increase of 7.71%

Mandated increase in retirement from 13.34% to 14.74%.

**Total budget increase is 1.03% increase.**





LADY'S ISLAND – ST. HELENA FIRE DISTRICT  
 237 SEA ISLAND PARKWAY  
 BEAUFORT, SOUTH CAROLINA 29907  
 PHONE: 843-525-7692 FAX: 843-525-7689



BRUCE KLINE, CHIEF

GORDON BOWERS, CHAIRMAN

Lady's Island-St. Helena Fire District

FY 2017	Revenue	Expenditures	Millage Rate
Operations	5,509,396	5,509,396	37.92
Debt Service	312,137	312,137	2.2

FY2018	Revenue	Expenditures	Millage
Operations	5,746,643	5,746,688	39.26
Debt Service	309,237	309,237	2.11

- Expenditure request presented is with 2% cost of living
- The expenditure request is minus contract money of \$125,000
- The majority of expenditure increases are due to Retirement and Health Insurance
- The Fire District Commission is requesting a total (operations and debt) millage increase of 1.25 to cover expenditures
- The increase for a \$100,000 owner occupied home is \$5.00 as compared to FY17. Total bill (Operations and Debt) for a \$100,000 home is \$165.48

# Sheldon Township Fire District

Post Office Box 129  
Sheldon, South Carolina 29941  
Office (843) 846-9221  
Fax (843) 846-8011  
Emergency 911

Walter "Buddy" Jones  
Chief

## BUDGET SUMMARY

### 2016/2017 Budget Approved

Personnel Cost-----\$1,160,647

Operations Cost-----\$143,960

Total-----\$1,304,607

Total Debt-\$ 72,500

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### 2017/2018 Proposed Budget

Personnel Cost-----\$1,205,600

Operations Cost-----\$ 144,560

Total-----\$1,350,160

Total Debt---\$ 139,259

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### F/Y 2016 to F/Y 2017 Comparison

\$44,953 Increase In Personnel Cost

\$600 Increase in Operations Cost.

\$66,759 Increase In Debt Service

Total Increase from Current Budget: \$112,312

**SHELDON FIRE DISTRICT**

**2017/2018**

**BUDGET INCREASE**

**JUSTIFICATION**

**Personnel Increases**

Salaries promotions and longevity Increase of-----	\$18,367
Payroll taxes Increase of-----	\$1,405
SC PORS Retirement system increase-----	\$14,315
Health insurance premium increase-----	\$10,866
Total increase in personnel cost-----	\$44,953

**Operations Increases**

Accounting increase-----	\$400
Equipment insurance decrease-----	(\$1000)
Building insurance increase-----	\$1000
Grounds maintenance increase-----	\$200
Total increase in operational cost-----	\$600

Debt increase-----\$66,759

**SHELDON FIRE DISTRICT**

**MILLAGE INFORMATION**

**2017/2018**

**Present Mills 36.86 x 34,369 = 1,266,841**

**BUDGET**

**Personnel-----1,205,600**

**Operations -----144,560**

**Total Budget-----1,350,160**

**New mill Est. 35,228**

**MILLS needed for proposed Budget**

**38.32 new mills increase of 1.46 mills**

**Debt**

**3.95 new mills increase of 1.75 mills**

**Total mills increase-----3.21**

**FY 2017- 2018**

ACCOUNTS FOR: 10001010  
10001010 AUDITOR

**FY 17-18**

50 PERSONNEL SERVICES

10001010 5002(SALARIES AND WAGES	\$	681,825.00	Wage adjustments and step increase
10001010 5006(OVERTIME	\$	2,000.00	
10001010 5010(EMPLOYER FICA	\$	46,122.00	Amounts need county finance review
10001010 5011(EMPLOYER MEDICARE	\$	10,800.00	Amounts need county finance review
10001010 5012(EMPLOYER SC RETIREM	\$	82,265.00	Amounts need county finance review
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$</b>	<b>823,012.00</b>	

51 PURCHASED SERVICES

10001010 5100(ADVERTISING	\$	1,000.00	
10001010 5101(PRINTING	\$	3,500.00	
10001010 5103(POSTAGE /OTHER	\$	20,000.00	
10001010 5105(TELEPHONE	\$	3,000.00	
10001010 5114(EQUIPMENT RENTALS	\$	2,264.00	
10001010 5116(PROFESSIONAL SERVIC	\$	1,000.00	
10001010 5130(GRAGE REPAIRS & Maint.	\$	500.00	New expense for vehicles
10001010 5131(BOOKS,SUBS,MEMBERSH	\$	2,500.00	
10001010 5132(TRAINING AND CONFER	\$	7,500.00	
10001010 5153( BONDING (ALL)	\$	200.00	
<b>TOTAL PURCHASED SERVICES</b>	<b>\$</b>	<b>41,464.00</b>	

52 SUPPLIES

10001010 5201(SUPPLIES-OFFICE/PHO	\$	6,000.00	
10001010 5250(FUELS/LUBRICANTS	\$	2,000.00	Gas for vehicles
10001010 5260(MINOR OFF FURN/EQP	\$	5,000.00	
10001010 5261(TECHNOLOGY EQUIP <\$	\$	5,000.00	
<b>TOTAL SUPPLIES</b>	<b>\$</b>	<b>18,000.00</b>	

**TOTAL \$ 882,476.00**

## Urban Services Grant Details

### Urban Grants - 5307

(14-15 - 15-16)

	Total	Federal	State	Local
Capital 80/20	\$330,000	\$264,000	\$33,000	\$33,000
Operations	\$87,750	\$43,875	\$21,938	\$21,937
Admin	\$62,252	\$49,801	\$2,797	\$9,653
Vehicles 85/15	<u>\$1,496,100</u>	<u>\$1,271,685</u>	<u>\$31,124</u>	<u>\$193,291</u>
Total	\$1,976,102	\$1,629,361	\$88,859	\$257,881

#### Capital 80/20

Modular Operations Building  
 Facility Generator  
 Preventative Maintenance (reimbursed for Maintenance expenses)  
 Planning

#### Vehicles – ADA 85/15

3 Trolleys or equivalents \$1,016,100 (\$338,700 ea)  
 6 Large Cutaways(25 seats) \$480,000 (\$80,000 each)

(16-17)

	Total	Federal	State	Local
Capital 80/20	\$251,250	\$201,000	\$12,488	\$37,762
Operations	\$460,750	\$230,375	\$52,625	\$177,750
Admin	\$165,200	\$-----	\$33,040	\$132,160
Vehicles 85/15	<u>\$418,700</u>	<u>\$335,895</u>	<u>\$31,402</u>	<u>\$31,402</u>
Total	\$1,295,900	\$787,270	\$129,555	\$379,074

#### Capital 80/20

Planning - continued  
 Preventative Maintenance (reimbursed for Maintenance expenses)  
 Bus Stop Enhancements -

#### Vehicles – ADA 85/15

1 Trolley or equivalents \$338,700  
 1 Large Cutaways(25 seats) \$\$80,000

Hilton Head Island Recreation Association  
Beaufort County Funding Request  
FY 2018

**General Information:**

The following request is designed to enrich the recreational opportunities provided by the Hilton Head Island Recreation Association; which, through our partnership, enhances the County's services to the residents of Hilton Head Island.

The Association is requesting an increase of \$75,000 in pool support for FY 18. This brings back the Association's funding level to FY14, which was \$215,000.

**Request for FY 18: \$215,000**

**Pool Operations: Support pool operations** \$ 135,000

The pool at the Island Recreation Center is the only public pool on Hilton Head Island. It is open 7 days a week and had over 65,773 participant visits in 2016. These funds help implement the agreement between the School District and County to provide swim lessons to elementary school students county wide.

**Programs: Support senior and youth programs** \$ 80,000

The program support allows us to provide scholarships to families and helps offer recreation programs to senior residents. In 2016, the Association provided \$261,332 in scholarship funds to needy families.

\$ 215,000

In 2017, the County funded 9% of the Association's overall budget. The Association's Board raises 91% of its annual budget through program fees, fundraising, community events and support from the Town.

**The Numbers:**

**Program Numbers (2016)**

The Association had over 246,688 program participant and event visits.

The user percentages are as follows:

17 & under:	67%
18- 49:	19%
50 & older:	14%

The Island Recreation Association's Board of Directors appreciates the support of County Council and Staff. Please let us know if you'll need additional information to support our request.

**Beaufort County School District  
Comparison of Positions  
Five Year Comparison**

	2013-14	2014-15	2015-16*	2016-17**	2017-18
<b>District Leadership</b>					
Superintendent	1	1	1	1	1
Chief Officers	4	4	5	5	5
<b>Total District Leadership</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>
	1	0	1	0	0
<b>District Support</b>					
Officers	4	5	3	3	3
Directors	17	21	21	21	22
Coordinators	15	16	18	18	17
<b>Total District Support</b>	<b>36</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>
<i>Net change from prior year</i>	0	6	0	0	0
<b>School Leadership</b>					
Principals	29	29	30	31	31
Assistant Principals	49	52	54	54	55
Athletic Directors	5	5	5	6	6
School Based Coordinators	6	11	12	12	12
<b>Total School Leadership</b>	<b>89</b>	<b>97</b>	<b>101</b>	<b>103</b>	<b>104</b>
<i>Net change from prior year</i>	2	8	4	2	1
<b>School &amp; District Staff</b>					
Teachers	1422	1474	1540	1580	1599
Media Specialists	29	29	30	31	31
Guidance Counselors	56	54	58	57	59
Nurses	29	30	35	36	36
Hall Monitors	11	0	0	0	0
Social Workers	21	21	23	24	24
Teacher Recruitment and Evaluation	1	1	1	1	1
Maint /Custod	12	12	9	9	8
Bus Drivers/Bus Monitors	8	8	6	202	202
Technology Network & Field Support	28	27	31	35	35
ROTC Instructors	11	12	13	13	13
Couriers	1	1	1	1	1
Food Service	17	14	13	13	12
Elementary Technology Instructional Assistants	26	28	28	28	28
Media Assistants	31	32	32	32	31
Bookkeepers	29	29	30	31	31
Attendance Specialists	29	29	31	32	32
Instructional Assistants	204	231	239	245	244
Other Support Staff	209	216	226	234	237
<b>Total School &amp; District Staff</b>	<b>2178</b>	<b>2256</b>	<b>2351</b>	<b>2609</b>	<b>2629</b>
<i>Net Change from prior year</i>	26	78	95	258	20
Board Members	11	11	11	11	11
<b>Total (excluding substitute teachers)</b>	<b>2319</b>	<b>2411</b>	<b>2511</b>	<b>2771</b>	<b>2792</b>
<i>Net Change from prior year</i>	29	92	100	260	21
Enrollment Increase	189	624	368	234	232

\* Opening of River Ridge Academy in 2015-16

\*\* Opening of May River High and Transportation brought in-house in 2016-17



Details of Budget Increases/(Decreases)  
2017-18

**Increases due to State/Federal mandates**

	<u>Amount</u>
Step increase for certified staff	1,464,359
Benefit increase for retirement	1,877,539
Benefit increase for insurance	816,987
2 Special Education teachers	110,000
Total Increases due to State mandates	<u>\$ 4,268,885</u>

**Increases due to enrollment growth**

21 School based employees	\$ 1,318,113
10 Teachers for Growth	550,000
Academic Stipends	397,865
Charter School Allocations (+38 students)	45,802
School Non-Salary Allocations	41,620
Total Increases due to enrollment growth	<u>\$ 2,353,400</u>

**Increases due to program expansion:**

Pre-K expansion-1 classroom (MCRES)	84,480
Total Increases due to program expansion	<u>84,480</u>

**Operational Increases:**

Technology applications	74,511
Contractual Increases (Custodial, Grounds, Maintenance, Pest Control)	635,862
Telecommunications	153,444
Property Insurance (15%)	412,175
Utilities	87,227
	<u>1,363,219</u>

**Other Increases:**

Additional \$1,000 Locality Supplement for teachers (1755)	\$ 1,889,258
Step increase for classified staff	493,550
Step increase for administrators	201,073
Total Other Increases	<u>\$ 2,583,881</u>

**Decreases:**

2 Pre-K teachers & assts moved to EIA Funding	(190,000)
Repairs	(78,677)
Unemployment	(25,000)
Miscellaneous	(19,092)
Stormwater Utility	(15,000)
School Resource Officers	(13,536)
Total Decreases	<u>(341,305)</u>

**Grand Total**

\$ 10,312,560

# **BEAUFORT COUNTY SCHOOL DISTRICT**

**Dr. Jeffrey Moss, Superintendent  
Tonya Crosby, Chief Finance and Operations Officer**

**FY 2017-2018  
Preliminary  
General Fund  
Budget**

**May 1, 2017  
County Council  
Finance  
Committee**

# AGENDA

- **Budget Priorities**
- **State Cuts**
- **Millage Increase Limitations**
- **Review Budget by Program Categories (Pyramids)**

# BUDGET PRIORITIES

- 1. Students performing on grade level in all subjects by third grade**
- 2. Support Choice Opportunities for parents**
- 3. Support Technology Initiatives for student learning**
- 4. Recruit and Retain quality teachers and administrators in every classroom and building**
- 5. Continue current initiatives which have a positive impact on student learning outcomes.**

# STATE CUTS

- House version-final (\$4.1M)
- Senate Finance version (\$3.6M)
  
- Impact:
  - Reduces support for benefits
  - \$2.2M reduction in EFA
  - Reduces professional development by \$720K
  - Increases CATE funding \$197K
  - Overall affect on the General Fund (\$2.3M)

House Version		A	B
		FY 2016-2017 Projected Actual 111.5	FY 2017-2018 Projected Budget 115.96
Millage Rate			
1	<b>Local</b>		
2	Ad Valorem (Current and Delinquent)-Net of TIFs	131,662,584	138,095,428
3	Penalties and Interest	850,000	800,000
5	Rent	293,500	293,500
6	Other Local	300,000	370,000
7	<b>Total Local Revenue</b>	<b>\$ 133,106,084</b>	<b>\$ 139,558,928</b>
8	<b>State</b>		
9	Sales Tax Reimbursement on Owner Occupied	44,216,582	44,711,079
11	Fringe Benefits/Retiree Insurance	10,304,552	9,363,161
12	Education Finance Act	13,961,866	11,626,248
13	Reimbursement for Local Property Tax Relief	7,036,261	7,036,261
14	Other State Property Tax (Homestead/Merchant Inv)	2,377,946	2,442,079
15	Other State Revenue (Bus Driver Salary/Misc)	1,490,553	1,200,179
16	<b>Total State Revenue</b>	<b>\$ 79,387,760</b>	<b>\$ 76,379,007</b>
17	<b>Federal</b>		
18	Other Federal Sources	739,000	700,000
19	<b>Total Federal Revenue</b>	<b>\$ 739,000</b>	<b>\$ 700,000</b>
20	<b>Total Revenue</b>	<b>\$ 213,232,844</b>	<b>\$ 216,637,935</b>
22	Transfers from Special Revenue	4,716,262	4,846,033
23	Transfers from Other Funds	450,090	450,000
24	<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,166,352</b>	<b>\$ 5,296,033</b>
25	<b>Total Revenue and Other Financing Sources</b>	<b>\$ 218,399,196</b>	<b>\$ 221,933,968</b>
26	<b>Expenditures</b>	213,451,996	225,764,555
27	<b>Increase(Decrease) in Fund Balance</b>	<b>\$ 4,947,200</b>	<b>\$ (3,830,587)</b>
28			
29	<b>Beginning Fund Balance</b>	28,624,647	33,571,847
30	<b>Ending Fund Balance</b>	<b>\$ 33,571,847</b>	<b>\$ 29,741,260</b>
31	<b>% of Next Year's Expenditure or Budget</b>	14.9%	12.8%

		A	B
<b>Senate Finance Version</b>		FY 2016-2017	FY 2017-2018
		Projected	Projected
		Actual	Budget
Millage Rate		111.5	115.96
1	<b>Local</b>		
2	Ad Valorem (Current and Delinquent)-Net of TIFs	131,662,584	138,095,428
3	Penalties and Interest	850,000	800,000
5	Rent	293,500	293,500
6	Other Local	300,000	370,000
7	<b>Total Local Revenue</b>	<b>\$ 133,106,084</b>	<b>\$ 139,558,928</b>
8	<b>State</b>		
9	Sales Tax Reimbursement on Owner Occupied	44,216,582	44,711,079
11	Fringe Benefits/Retiree Insurance	10,304,552	9,666,234
12	Education Finance Act	13,961,866	11,795,797
13	Reimbursement for Local Property Tax Relief	7,036,261	7,036,261
14	Other State Property Tax (Homestead/Merchant Inv)	2,377,946	2,442,079
15	Other State Revenue (Bus Driver Salary/Misc)	1,490,553	1,200,179
16	<b>Total State Revenue</b>	<b>\$ 79,387,760</b>	<b>\$ 76,851,629</b>
17	<b>Federal</b>		
18	Other Federal Sources	739,000	700,000
19	<b>Total Federal Revenue</b>	<b>\$ 739,000</b>	<b>\$ 700,000</b>
20	<b>Total Revenue</b>	<b>\$ 213,232,844</b>	<b>\$ 217,110,557</b>
22	Transfers from Special Revenue	4,716,262	4,975,804
23	Transfers from Other Funds	450,090	450,000
24	<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,166,352</b>	<b>\$ 5,425,804</b>
25	<b>Total Revenue and Other Financing Sources</b>	<b>\$ 218,399,196</b>	<b>\$ 222,536,361</b>
26	<b>Expenditures</b>	213,451,996	225,765,555
27	<b>Increase(Decrease) in Fund Balance</b>	<b>\$ 4,947,200</b>	<b>\$ (3,229,194)</b>
28			
29	<b>Beginning Fund Balance</b>	28,624,647	33,571,847
30	<b>Ending Fund Balance</b>	<b>\$ 33,571,847</b>	<b>\$ 30,342,653</b>
31	<b>% of Next Year's Expenditure or Budget</b>	14.9%	13.0%

# MILLAGE INCREASE LIMITATIONS

	Millage Rate	Avg CPI	Pop Growth	Allowable Increase*	Bank Used	Bank Balance
2014	97.45	2.07%	2.21%	4.28%	-2.47%	1.81%
2015	103.5	1.46%	2.27%	3.73%	-3.73%	1.81%
2016	103.5	1.62%	2.50%	4.12%	0.00%	5.93%
2017	111.5	0.12%	2.55%	2.67%	-7.73%	0.87%
						+3.13%
Available	111.5	1.26%	1.87%	3.13%	0.00%	4.00%

**Maximum Millage:  $111.5 + 4\% = 115.96$   
 $4\% = 4.46$  mils**

\*SC Department of Revenue & Fiscal Affairs

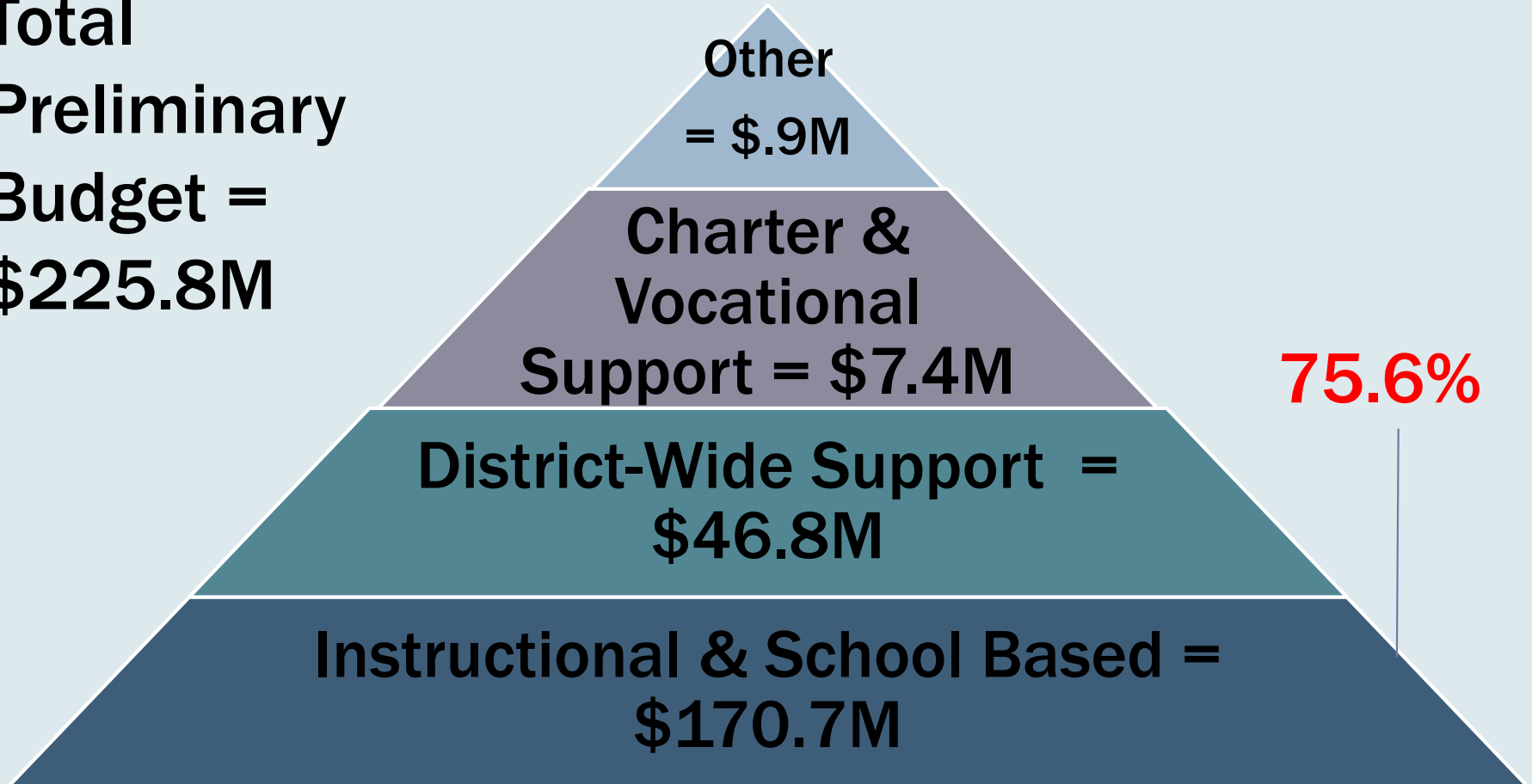


# SUMMARY OF FY 2017-2018 INCREASES

Type Increase	Amount	# of Mills	% of Total Increases
State/Federal Mandates	\$ 4,268,885	3.59	41%
Local - Enrollment	2,353,400	1.98	23%
Operational	1,363,219	1.15	13%
Other	2,583,881	2.17	25%
Program Expansion	84,480	0.07	1%
Total Increases	10,653,865		
Less Decreases	(341,305)	-0.29	-3%
Net Increases	\$ 10,312,560		
Current Budget	215,451,995		
FY 2017-2018 Preliminary	\$ 225,764,555		

# PRELIMINARY FY 2017-2018 BUDGET

**Total  
Preliminary  
Budget =  
\$225.8M**



# UPCOMING BUDGET DISCUSSIONS

- **May 3, 2017 - Public Forum-Bluffton High School**
- **May 4, 2017 - Public Forum-Battery Creek High School**
- **May 8, 2017 - County Council First Reading of Budget**
- **May 16, 2017- Board certifies the 2017-2018 Budget**
- **May 22, 2017- County Council Second Reading of Budget**
- **June 12, 2017- County Council Third and Final Reading of Budget**
- **June 26, 2017 - County Council Final Reading (if needed)**

## **Culinary Institute of the Lowcountry at the Technical College of the Lowcountry**

Submitted to Beaufort County Council by Dr. Richard J. Gough, President

Technical College of the Lowcountry

Beaufort County's top two industries - Resort and Tourism and Healthcare - need trained culinarians. An analysis of regional job growth for the period beginning 2014 through 2020 predicts 500 new foodservice jobs annually. An estimated 1/3 of these new positions, or approximately 170 jobs, require culinary training – associate degrees and/or post-secondary certificates. A quick search on a national job site resulted in 54 open chef positions in Beaufort County – Sea Pines, Helena Place (a senior living facility in Port Royal), Kroger and Beaufort Memorial Hospital to name only a few of our local businesses seeking trained culinarians. Positions included sous chef, assistant chef, line cook, line manager and lead cook. The median hourly earnings were \$16.50. In other words, our local hospitals, schools, country clubs, resorts, senior living facilities and restaurants need a trained culinary workforce.

### Facts

- In 2015, Beaufort County posted \$37.18 million dollars in local tax receipts generated by \$1.3 billion dollars in domestic travel expenditures made by 3,000,000 visitors. These expenditures supported \$237.6 million dollars in payroll and 13,500 jobs in the County. The foodservice industry received the largest amount of travel expenditures, almost 31% or \$403 million dollars, supporting 4,485 jobs.
- The Lowcountry and Resort Tourism Research Institute (LRTR) at the University of South Carolina Beaufort surveyed visitors to the County. 80% of the respondents said the quality of dining was important/very important to their vacation. 71% of the respondents said the culinary experience was important/very important to their vacation.
- The Sonesta, Sea Pines Resort and other businesses report having to limit operations or temporarily close select business sites due to lack of culinary staff. Businesses have reported an inability to expand or open new restaurants due to the lack of culinary staff.
- There are 902 foodservice entities in Beaufort County, more than 2,000 foodservice entities in Horry County (Myrtle Beach) and more than 5,000 in Charleston County. Both Horry County and Charleston County have culinary institutes that serve their local industry.
- Beaufort County's industry relies on hundreds of temporary foreign-trained culinary workers each year to meet their workforce need.
- Economic analysis indicates the local tourism industry is at a competitive disadvantage due to the lack of skilled workforce.

## Serving economic development

The Technical College of the Lowcountry is one of sixteen state-assisted community colleges in South Carolina. The mission of the college is to serve as an effective partner in the economic and workforce development of Beaufort County and the surrounding area. The college's annual operating budget is \$16 million dollars. TCL receives only approximately 18% of its operating budget from the State of South Carolina and about 10% from Beaufort County. Most operating funds comes from the tuition and fees paid by TCL students.

Affordable tuition is fundamental to the mission of TCL. The college sets tuition and fees to cover the actual cost of instruction. There is no profit margin - no additional revenue collected to enlarge programs or for new programs. Finding ways to secure adequate funding to support both current college operations and local industry demand for new or enlarged programs is a challenge we must share as a community.

Community-driven education and workforce training not only expands economic opportunity for residents but also does more to strengthen the local economy than anything else a state or local government can do. The college desires to partner with Beaufort County and its partners to serve two local, economically critical industries – Healthcare and Tourism. The college asks Beaufort County Council and its partners to provide the capital funds to build the Culinary Institute of the Lowcountry at TCL in the Buckwalter Plaza in Bluffton. The college cannot contribute to the capital costs, nor can the College take on a lease payment. The college is not asking for a loan. The college is asking Beaufort County and its partners to provide \$12.483M in capital funds (the estimated cost of land, infrastructure and equipment) to build a much needed culinary institute to support the economic development of the County. Capital budget and operations and maintenance budget is below.

The Culinary Institute of the Lowcountry at TCL will have capacity for up to 400 students. The institute will offer associate degrees and academic certificates in Culinary Arts Technology, Culinary Management, Health and Nutrition, Seafood, Baking and Pastry, Sports Nutrition and Farm to Table. The institute will have a demonstration kitchen where lessons can be videotaped and local chefs can conduct community workshops. TCL and USCB have collaborated to give TCL associate degree culinary graduates the opportunity to go onto USCB's four-year hospitality program. TCL culinary graduates will enter USCB as a junior. The school district and TCL will give local high school students the opportunity for culinary dual enrollment. Students can begin to work towards an associate's degree in the culinary arts while still in high school.

## Local responsibility

Our local economy depends in large part on how well we, as a community, succeed at delivering education and workforce training. The Technical College of the Lowcountry helps our neighbors increase their employability and supplies businesses and industry with skilled workers. The higher wages earned by skilled workers and increased business productivity increases income across our community. Local tax revenues increase and empower ongoing

investment in community development. The benefits of education go beyond economic returns. A post-secondary education correlates to improved health and lower rates of mortality, and lower crime rates. An individual's education affects the quality of life for us all.

Education and economic development is a local issue and a local responsibility. Working with community partners, community colleges like TCL educate residents for good jobs in-demand in the community and propel economic development.

#### Capital Expense Budget

#### Technical College of the Lowcountry Lowcountry Culinary Institute

##### CAPITAL EXPENSE

Land	\$ 783,000
Infrastructure	\$ 10,200,000
Equipment	\$ 1,500,000
Total capital expense	<u>\$ 12,483,000</u>
Beaufort County and Partners	\$ 12,483,000

##### CAPITAL BUDGET NARRATIVE

Land: Cost for shovel ready land in the Buckwalter Plaza

Building: 34,000 square feet at \$300 per foot

Equipment: Capital equipment

**Technical College of the Lowcountry  
Lowcountry Culinary Institute**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Student Enrollment	75	125	225
<b>REVENUE</b>			
Tuition (credit and non-credit)	176,600	416,500	552,000
High Cost Course Fee	7,500	11,250	15,000
Teaching Restaurant	\$ 10,000	\$ 30,000	\$ 35,000
<b>Total REVENUE</b>	<b>\$ 194,100</b>	<b>\$ 457,750</b>	<b>\$ 602,000</b>
<b>EXPENSES</b>			
Salaries	\$ 230,000	\$ 295,000	\$ 360,000
Benefits	\$ 64,400	\$ 82,600	\$ 100,800
Total Salaries and Benefits	<u>\$ 294,400</u>	<u>\$ 377,600</u>	<u>\$ 460,800</u>
General Repair	\$ 6,000	\$ 6,180	\$ 6,365
Utilities and IT	\$ 100,000	\$ 100,000	\$ 100,000
Small wares	\$ -	\$ -	\$ -
Contractual Services	\$ 10,000	\$ 10,000	\$ 10,000
Promotion and Printing	\$ 3,000	\$ 3,000	\$ 3,000
Office Supplies	\$ 5,000	\$ 5,000	\$ 5,000
Educational Supplies (food)	\$ 75,000	\$ 112,500	\$ 150,000
Other Supplies	\$ 8,500	\$ 8,500	\$ 8,500
Event Food	\$ 2,500	\$ 3,000	\$ 3,500
Uniforms	\$ 5,000	\$ 5,000	\$ 5,000
Dues and Membership	\$ 1,800	\$ 1,800	\$ 1,800
Travel	\$ 1,500	\$ 1,500	\$ 1,500
Professional Development	\$ 2,500	\$ 2,500	\$ 2,500
Total Other Expenses	<u>\$ 220,800</u>	<u>\$ 258,980</u>	<u>\$ 297,165</u>
<b>Total EXPENSES</b>	<b>\$ 515,200</b>	<b>\$ 636,580</b>	<b>\$ 757,965</b>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>\$(321,100)</b>	<b>\$(178,830)</b>	<b>\$(155,965)</b>
Industry/Philanthropic Contributions	\$ 375,000	\$ 250,000	\$ 250,000
<b>NET INCOME</b>	<b>\$ 53,900</b>	<b>\$ 71,170</b>	<b>\$ 94,035</b>

## **O&M BUDGET NARRATIVE**

A culinary institute is unlike other academic programs. To estimate operating expenses the college worked with Horry Georgetown Technical College (International Culinary Institute at Myrtle Beach) and Trident Technical College (Culinary Institute of Charleston). Both colleges shared their startup costs and operating budgets. The International Culinary Institute at Myrtle Beach (HGTC) opened this past September (2016). It is similar in size and student enrollment to the proposed Culinary Institute of the Lowcountry. Their budget proved to be most useful.

## **REVENUE**

Tuition: Tuition is calculated using student Headcount, a tuition rate of \$180 per credit hours and 18 credits per student. The tuition rate is the same for all three-budget years. Non-credit revenue is fees collected for continuing education offerings. Student headcount numbers may be conservative.

Teaching Restaurant: The site of the culinary institute is a growing population center. The institute's neighbors include eviCore with more than 400 on-site employees and the Bluffton Police Department with approximately 60 employees. In addition to the current businesses, site plans include a 120,000 sq ft Kroger and a 200-unit apartment complex. The culinary institute's teaching restaurant will be within easy walking distance of thousands of area residents each day.

First year revenue is estimated at \$10,000. Once the institute is established, subsequent year revenue calculation is based on 150 days of lunch operation at the cost of \$6.00 per meal. Year 02 plans for 33 lunch customers per day for 150 days at \$6.00 per meal. Year 03 plans for 39 lunch customers per day for 150 days at \$6.00 per meal. Teaching restaurant revenue numbers may be conservative.

## **EXPENSES**

Salaries and Benefits: In year 01, there are hires with annual salaries: dean/chef of the culinary institute at a salary of \$80,000/year; one faculty chef at \$65,000/year each; an administrative assistant at \$40,000/year; and a facility custodial staff member at \$35,000/year. In year 02, the college anticipates hiring an additional faculty chef at \$65,000/year and another in year 03.

General Repair (and equipment maintenance): The culinary institute uses specialized equipment – commercial ovens, stoves, hoods and refrigerators. HGTC recommended a line item budget of \$6,000. In years, 02 and 03 3% inflation rate is applied.

Utilities and IT: Estimated cost for electric, gas and IT including network access.

Contractual Services: Estimated cost for hood/vent service and linen service.

Promotion and Printing: Cost for the teaching restaurant to promote and print menu and other specials.



Office Supplies: Cost for general office supplies including paper, pens, pencils, computer peripherals.

Educational Supplies (food): Cost for teaching food is estimated to be \$10 per student per five-hour lab.

Other Supplies: Cost for teaching restaurant supplies including plastics and small wares replacement.

Event Food: Cost for food purchased for special events hosted by the culinary school.

Uniforms: Cost of chef uniforms and teaching restaurant student staff.

Dues and Memberships: Cost of professional members such as the South Carolina Hospitality and Restaurant Association.

Travel: Cost of faculty travel.

Professional Development: Cost of faculty continuing education and professional development.

#### **INDUSTRY/PHILANTHROPIC SUPPORT**

The Technical College of the Lowcountry Campaign for Culinary will seek \$1.0M in industry and other philanthropic gifts. These gifts, both financial and in-kind, will help the college to acquire needed small wares (estimated to be \$125,000) and support salaries and operations cost for the first three years of the institute.

Attachment:

- TCL Area Commission Statement of Support

**AREA COMMISSION STATEMENT OF SUPPORT**

The mission of the Technical College of the Lowcountry is to serve as an effective partner in the economic and human resource development of the Lowcountry by providing quality, affordable academic and technical programs leading to Associate Degrees, Diplomas, and Certificates in an environment fostering excellence in teaching and learning. The Technical College of the Lowcountry Culinary Institute advances the mission of the Technical College of the Lowcountry.

The Technical College of the Lowcountry Area Commission supports efforts to establish the Technical College of the Lowcountry Culinary Institute at the Buckwalter Plaza in Bluffton, South Carolina.

**Signed:**



**Arthur E. Brown, Jr.**

**Chairman,**

**Technical College of the Lowcountry Area Commission**

**April 25, 2017**

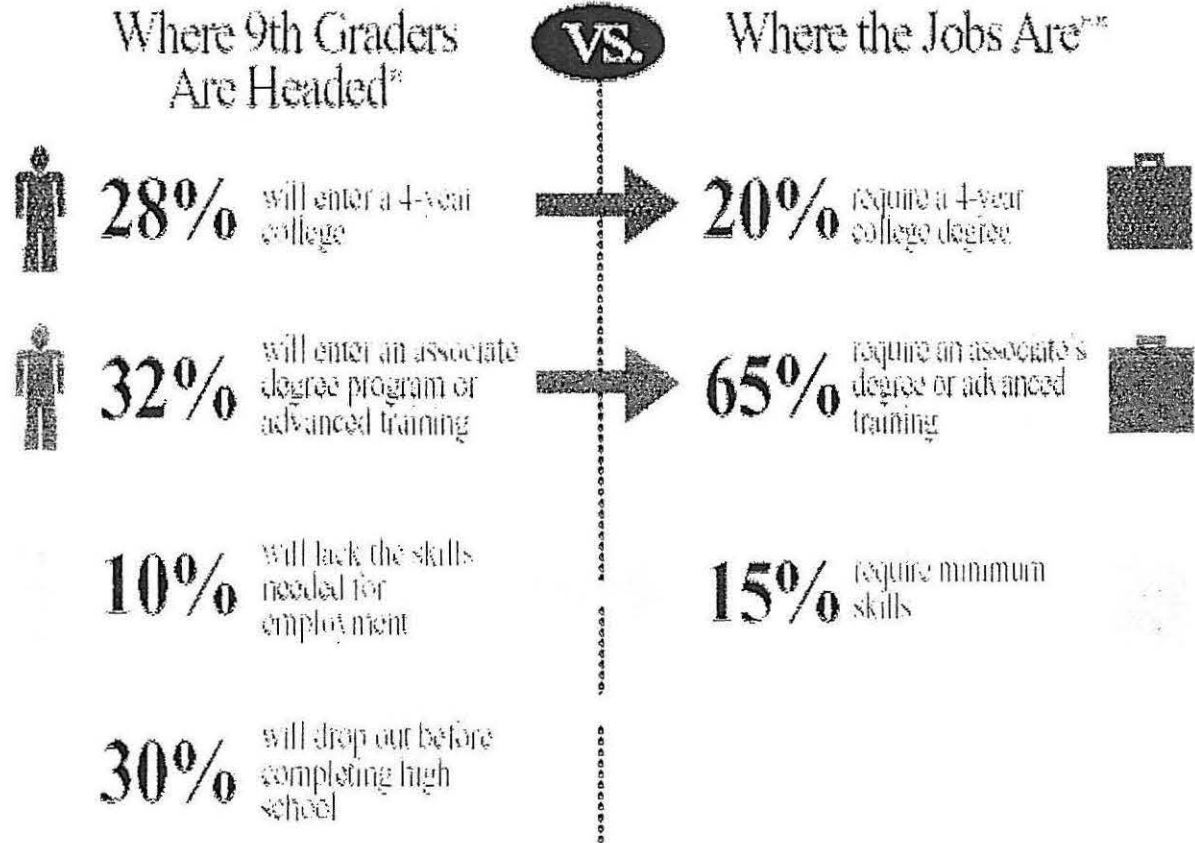


# ADD-ONS

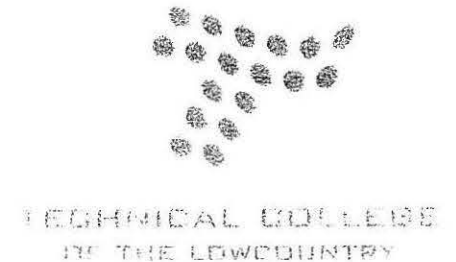
The document(s) herein were provided to Council for information and/or discussion after release of the official agenda and backup items.

Topic: Education Funding  
Date Submitted: May 1, 2017  
Submitted By: Stu Rodman  
Venue: Finance Committee

# The Workforce Gap



Topic: Education Funding  
Date Submitted: May 1, 2017  
Submitted By: Stu Rodman  
Venue: Finance Committee



## USCB / TCL

### General Fund - USCB & TCL

- Enrollment (FTE): 3,200 to 4,100 in 5 years
  - USCB: 1,900 to 2,400 in 5 years
  - TCL: 1,300 to 1,700 in 5 years
  
- Operating / County:
  1. FY08: 3.0 Mills x 1.5 MV = \$4.5 million
  2. FY16: 2.4 Mills x 1.7 MV = \$4.0 million
  3. Shortfall:
    - Increasing \$.6 million annually
    - Equals \$7.0 million by FY22
    - TCL Bond Debt: \$1 million
  4. Proposed:
    - FY18: 2.6 Mills x 1.9 MV = \$4.9 million
    - FY19: 2.7 Mills x 2.0 MV = \$5.4
    - FY20: 2.8 Mills x 2.1 MV = \$5.9
    - FY21: 2.9 Mills x 2.2 MV = \$6.4
    - FY22: 3.0 Mills x 2.3 MV = \$6.9 million