

COUNTY COUNCIL OF BEAUFORT COUNTY

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VICE CHAIRMAN

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COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA

FINANCE COMMITTEE

Monday, September 22, 2014

2:00 p.m.

Large Meeting Room, Bluffton Branch Library
120 Palmetto Way, Bluffton

Committee Members:

Rick Caporale, Chairman
Steve Fobes, Vice Chairman
Brian Flewelling
William McBride
Stu Rodman
Jerry Stewart

Staff Support

Alicia Holland, Chief Financial Officer

1. CALL TO ORDER – 2:00 P.M.
2. PRESENTATION / UNAUDITED FY 2014 FINANCIAL STATEMENTS FOR STATE AND LOCAL ACCOMMODATIONS TAX, HOSPITALITY AND ADMISSIONS FEES ([backup](#))
3. DISCUSSION / SCHOOL DISTRICT PROPOSAL TO CREATE A PROCESS TO ESTABLISH MILLAGE VALUE AND RATE ([backup](#))
4. ADJOURNMENT

2014 Strategic Plan: Committee Assignments

Budget Document/Process and Financial Reporting: Revision
Debt Reserve Policy (*Goal Accomplished April 2014*)
General Fund Fund Balance Policy (*Goal Accomplished April 2014*)
Mitchelville Historic Site Development: Funding



BEAUFORT COUNTY, SOUTH CAROLINA
STATE ACCOMMODATIONS TAX (2%)
For the Year Ended June 30, 2014
PRELIMINARY AND UNAUDITED

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 900,000	\$ 516,780	\$ (383,220)
Interest	<u>500</u>	<u>138</u>	<u>(362)</u>
Total Revenues	900,500	516,918	(383,582)
Expenditures			
Other - Subsidies	<u>947,500</u>	<u>752,861</u>	<u>194,639</u>
Total Expenditures	947,500	752,861	194,639
Excess (deficiency) of revenues over expenditures	(47,000)	(235,943)	(188,943)
Other Financing Sources (Uses)			
Transfers Out ¹	<u>(68,750)</u>	<u>(49,589)</u>	<u>19,161</u>
Total Other Financing Sources (Uses)	(68,750)	(49,589)	19,161
Net Change in Fund Balance	(115,750)	(285,532)	(169,782)
Fund Balance - beginning	<u>586,969</u>	<u>586,969</u>	<u>-</u>
Fund Balance - ending	<u>\$ 471,219</u>	<u>\$ 301,437</u>	<u>\$ (169,782)</u>

Note 1 - South Carolina Code of Law, Title 6 Chapter 4 requires a certain annual amount based on the amount of revenue recognized during a fiscal year to be transferred to the Beaufort County General Fund with no restrictions on the expenditures.

BEAUFORT COUNTY, SOUTH CAROLINA
 LOCAL ACCOMMODATIONS TAX (3%)
 For the Year Ended June 30, 2014
PRELIMINARY AND UNAUDITED

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses and Permits	\$ 940,000	\$ 980,983	\$ 40,983
Interest	-	2,429	2,429
Total Revenues	<u>940,000</u>	<u>983,412</u>	<u>43,412</u>
Expenditures			
Personnel	45,368	44,199	1,169
Purchased Services	8,243	3,697	4,546
Supplies	1,850	362	1,488
Other - Subsidies	<u>420,000</u>	<u>977,775</u>	<u>(557,775)</u>
Total Expenditures	475,461	1,026,033	(550,572)
Excess (deficiency) of revenues over expenditures	464,539	(42,621)	(507,160)
Other Financing Sources (Uses)			
Transfers Out ¹	-	<u>(3,971)</u>	<u>(3,971)</u>
Total Other Financing Sources (Uses)	-	(3,971)	(3,971)
Net Change in Fund Balance	464,539	(46,592)	(511,131)
Fund Balance - beginning	<u>2,607,097</u>	<u>2,607,097</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,071,636</u>	<u>\$ 2,560,505</u>	<u>\$ (511,131)</u>

Note 1 - April 21, 2014, Public Facilities Committee approved this transfer for the Albergottie Creek Trestle Renovations related to the Spanish Moss Trail.

BEAUFORT COUNTY, SOUTH CAROLINA
LOCAL HOSPITALITY TAX
For the Year Ended June 30, 2014
PRELIMINARY AND UNAUDITED

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses and Permits	\$ 1,690,000	\$ 1,839,836	\$ 149,836
Interest	-	3,561	3,561
Total Revenues	<u>1,690,000</u>	<u>1,843,397</u>	<u>153,397</u>
Expenditures			
Personnel	45,368	44,199	1,169
Purchased Services	8,243	3,697	4,546
Supplies	<u>1,850</u>	<u>324</u>	<u>1,526</u>
Total Expenditures	55,461	48,220	7,241
Excess (deficiency) of revenues over expenditures	1,634,539	1,795,177	160,638
Other Financing Sources (Uses)			
Transfers Out ¹	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	(1,200,000)	(1,200,000)	-
Net Change in Fund Balance	434,539	595,177	160,638
Fund Balance - beginning	<u>3,478,146</u>	<u>3,478,146</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,912,685</u>	<u>\$ 4,073,323</u>	<u>\$ 160,638</u>

Note 1 - Transfer to the Beaufort County General Fund for purposes of law enforcement, in which police protection of tourist facilities is one of the purposes of the hospitality tax.

BEAUFORT COUNTY, SOUTH CAROLINA
 LOCAL ADMISSIONS FEES
 For the Year Ended June 30, 2014
PRELIMINARY AND UNAUDITED

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses and Permits	\$ 1,290,000	\$ 1,495,249	\$ 205,249
Interest	<u>4,000</u>	<u>1,946</u>	<u>(2,054)</u>
Total Revenues	1,294,000	1,497,195	203,195
Expenditures			
Personnel	45,368	44,199	1,169
Purchased Services	8,243	3,609	4,634
Supplies	<u>1,850</u>	<u>338</u>	<u>1,512</u>
Total Expenditures	55,461	48,146	7,315
Excess (deficiency) of revenues over expenditures	1,238,539	1,449,049	210,510
Other Financing Sources (Uses)			
Transfers Out ¹	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	(1,500,000)	(1,500,000)	-
Net Change in Fund Balance	(261,461)	(50,951)	210,510
Fund Balance - beginning	<u>1,950,788</u>	<u>1,950,788</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,689,327</u>	<u>\$ 1,899,837</u>	<u>\$ 210,510</u>

Note 1 - Transfer to the Bluffton Parkway Debt Service Fund

Subject: Proposal for Fin/Ops Committee regarding Millage Value and Rate

My concern is simple; the development of the rate to set for the mil in order to fund our budget has been inconsistent in the past. This last year is a good example of how the rate was set without full consideration or knowledge of the factors that impact only the school district's collections. The proposal has several parts:

1. Staff (Assessor, Auditor, Treasurer, etc.), compute the value of the mil for all government entities and make that value known.
2. Working with staff at the County, the District financial staff identifies the rate needed to fund the approved revenue portion of the budget as established by the County Council.
3. The School Board develops and implements a new fund balance policy that states that our fund balance will fall between 13% and 15% with a median expectation of 14%.
4. The County Council adopts a policy that automatically replenishes the District fund balance back to 14% if it ever falls below 13%; the District agrees that if the fund balance ever exceeds 15% we will automatically spend the fund balance down to the 14% level.
5. The agreement between the Council and the District ensures that this will take place automatically, and that any increase required is automatic and independent of any other budget requests.

Implementing such an agreement, ensures that both the Council and the District are protected against any events such as 6%-4% movement, appeals, reassessments, etc. This proposal also provides stability, becomes a plus as we work with bonding agents as they can see great stability in our fund balance. It also means that the mil value and rate are set in June with the approval of the budget and any events will automatically be addressed with the next budget, with the fund balance either being spent down or funded so that it remains at the 14% level.

**BEAUFORT COUNTY SCHOOL DISTRICT
BEAUFORT, SOUTH CAROLINA
GENERAL FUND REVENUE DETAIL
YEAR ENDED JUNE 30, 2014
UNAUDITED**

	Budgeted Amounts		Unaudited Actual	Variance with Final Budget	
	Original	Final			
LOCAL					
Taxes-Including Delinquent*	\$ 114,868,815	\$ 114,868,815	\$ 109,654,524	\$ (5,214,291)	95.5%
Penalties and Interest	\$ 800,000	\$ 800,000	\$ 697,449	\$ (102,551)	
Other	\$ 663,500	\$ 663,500	\$ 1,111,446	\$ 447,946	
Total Local Revenues	<u>\$ 116,332,315</u>	<u>\$ 116,332,315</u>	<u>\$ 111,463,419</u>	<u>\$ (4,868,896)</u>	
STATE					
Retiree Insurance	\$ 3,802,661	\$ 3,802,661	\$ 4,169,006	\$ 366,345	
Fringe Benefits Employer Contributi	\$ 1,673,560	\$ 1,673,560	\$ 1,769,821	\$ 96,261	
Reimb. For Local Property Taxes	\$ 42,761,119	\$ 42,761,119	\$ 42,510,619	\$ (250,500)	
Education Finance Act (EFA)	\$ 3,929,748	\$ 3,359,049	\$ 3,560,563	\$ 201,514	
School Bus Driver Salary	\$ -	\$ 570,699	\$ 935,611	\$ 364,912	
Reimbursement Local Property Tax	\$ 7,036,261	\$ 7,036,261	\$ 7,033,488	\$ (2,773)	
Merchant's Inventory Tax	\$ 332,079	\$ 332,079	\$ 332,079	\$ -	
Homestead Exemption	\$ 2,000,000	\$ 2,000,000	\$ 2,045,867	\$ 45,867	
Other State Sources	\$ 110,000	\$ 110,000	\$ 165,873	\$ 55,873	
Total State Revenues	<u>\$ 61,645,428</u>	<u>\$ 61,645,428</u>	<u>\$ 62,522,927</u>	<u>\$ 877,499</u>	101.4%
FEDERAL	\$ 900,000	\$ 900,000	\$ 991,885	\$ 91,885	110.2%
Transfers In	4,357,254	4,357,254	4,496,394	139,140	
Sale of Fixed Assets	-	-	-	-	
TOTAL REVENUE	<u><u>\$ 183,234,997</u></u>	<u><u>\$ 183,234,997</u></u>	<u><u>\$ 179,474,625</u></u>	<u><u>\$ (3,760,372)</u></u>	97.9%

*Approved budget was at 94.7% collection rate. Estimated unaudited collections are at 90.8% of gross collections.

**BEAUFORT COUNTY SCHOOL DISTRICT
BEAUFORT, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
REVENUES					
Local	\$ 116,332,315	\$ 116,332,315	\$ 111,463,419	\$ (4,868,896)	
State	\$ 61,645,428	\$ 61,645,428	\$ 62,522,927	\$ 877,499	
Federal	\$ 900,000	\$ 900,000	\$ 991,885	\$ 91,885	
Total Revenues	<u>\$ 178,877,743</u>	<u>\$ 178,877,743</u>	<u>\$ 174,978,231</u>	<u>\$ (3,899,512)</u>	97.8%
EXPENDITURES					
Current					
Instruction	\$ 104,489,411	\$ 104,778,032	\$ 103,581,809	\$ 1,196,223	98.9%
Support services	\$ 73,406,753	\$ 73,118,132	\$ 73,404,048	\$ (285,916)	
Payments to other governmental units	\$ 4,329,848	\$ 4,329,848	\$ 4,428,566	\$ (98,718)	
Debt service-interest	\$ 70,000	\$ 70,000	\$ 46,350	\$ 23,650	
Total Expenditures	<u>\$ 182,296,012</u>	<u>\$ 182,296,012</u>	<u>\$ 181,460,773</u>	<u>\$ 835,239</u>	99.5%
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,418,269)</u>	<u>\$ (3,418,269)</u>	<u>\$ (6,482,542)</u>	<u>\$ (3,064,273)</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	4,357,254	4,357,254	4,496,394	139,140	
Transfers out	<u>(610,000)</u>	<u>(610,000)</u>	<u>(726,301)</u>	<u>(116,301)</u>	
Total other financing sources (uses)	<u>3,747,254</u>	<u>3,747,254</u>	<u>3,770,093</u>	<u>22,839</u>	
Net change in fund balances	328,985	328,985	(2,712,449)	(3,041,434)	
FUND BALANCES, BEGINNING OF YEAR	<u>30,503,375</u>	<u>30,503,375</u>	<u>30,503,375</u>	<u>-</u>	
FUND BALANCES, END OF YEAR	<u>\$ 30,832,360</u>	<u>\$ 30,832,360</u>	<u>\$ 27,790,926</u>	<u>\$ (3,041,434)</u>	
Total Expenditures	\$ 182,906,012	\$ 182,906,012	\$ 182,187,074	\$ 718,938	99.6%
Next Year's Budgeted Expenditures			\$ 189,558,841		
Percentage of Next Year's Budgeted Expenditures			14.7%		