

TOWN OF EDISTO BEACH Annual Budget 2014-15



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Town of Edisto Beach, South Carolina

Mayor



**Mayor
Burley L. Lyons**

Town Council



**Council
Pete Anderson**



**Mayor Pro Tempore
Jane S. Darby**

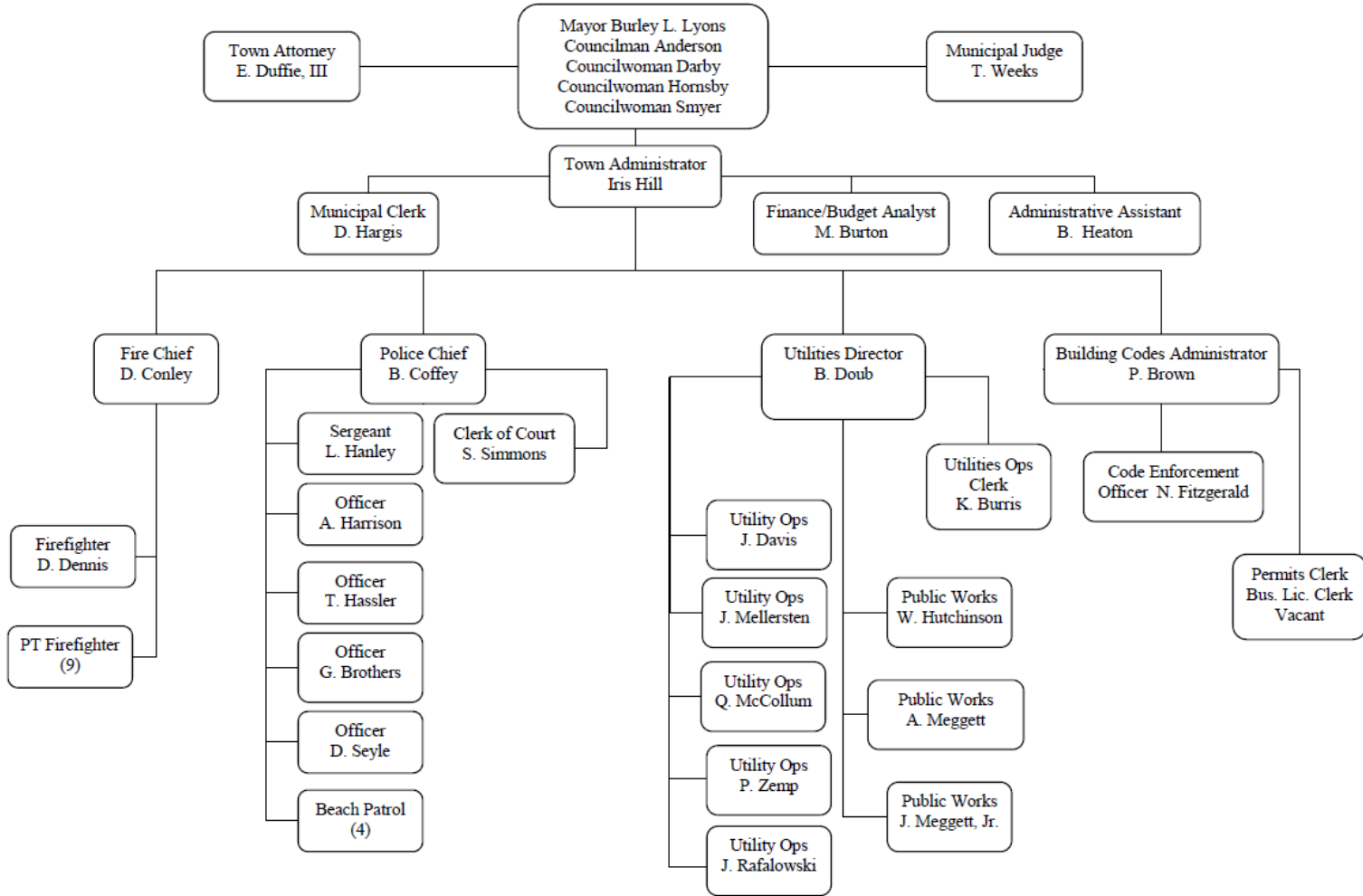


**Council
Susan Hornsby**



**Council
Patti Smyer**

Organizational Chart



Vision Statement

The VISION of the Town of Edisto Beach is to maintain Edisto Beach as a family sanctuary.

Mission Statement

The MISSION of the Town of Edisto Beach is to enhance and maintain Edisto’s reputation as a family-oriented, vacation destination while accomplishing the following goals:



Council Goals and Action Plan

Council Goals 2014-2015			
Beach Management and Preservation			
Mayor Lyons			
Action Plan (Continuation of last years goal)	Who	Date	Action Taken
Formalize plan of how we govern what happens on beachfront	Council	05/10/2012	Established beachfront mgt committee to advise council
Support State legislation for beachfront retreat (resolution)	Council		On-going through Coastal Council
Form Beachfront Mgt Committee	Council	05/10/2012	Completed
Establish Beachfront Mgt Committee Bylaws	Council	05/10/2012	Completed
Appoint Committee	Council	05/10/2012	Completed
Plan to build dunes where eroded and protect what we have	Building Dept	02/01/2012	Completed
Install additional Protect our Dune Signs	Building Dept	06/01/2012	Completed
Continue preventative measures	Building Dept	08/31/2012	Continue with sandfencing and plants/ordered/look at pushing sand/sand scraping
Seek Funding for Groin Extension Study	Administration	08/09/2012	Study completed/demonstration project pending
Groin Study Completion	CSE	01/25/2013	Completed
Locally Preferred Plan ACOE	Beachfront Mgt	02/14/2013	Completed
Colleton County Funding	Council	02/14/2013	Completed
Meeting with County Administrator	Mayor Lyons	02/14/2013	Completed
Submittal of CPST project for Beach Nourishment	Administration	01/30/2014	Completed
Presentation of CPST project to CPST Committee	Administration	04/15/2014	Completed
Project ranking by CPST Committee	CPST	04/23/2014	Completed
Seek Funding \$10 million groin lengthening	Administration	10/31/2013	Council tabled/lack of funding
Feasibility Study with ACOE	Administration	09/01/2013	Completed
Meeting with ACOE to review final submittal	Mayor Lyons	03/06/2014	Completed
Meet with Civil Works Board Washington DC	Administration	03/20/2014	Completed
Meet with CSE/ACOE/Town Council	Council	05/20/2014	Completed
Meeting with ACOE/DHEC about demonstration project	Administration	N/A	Eliminated
Colleton County Delegation Request	Town Attorney	03/14/2013	Completed
2016 Beach Nourishment Permit	CSE	01/01/2015	RFQ received, reviewed and awarded to CSE 2/13/2014
State Park	Administration	02/19/2014	Met with Ray Stevens-Interested-Requesting funds 2015
DHEC Grant	Administration	02/01/2015	Potential to receive grant funds from DHEC. Not qualified until permit application complete
Seek Federal Funding for 50 year projects	Council	05/01/2014	Need to lobby in Washington/Senators
Council Direction on 2016 Beach Nourishment	Council	06/12/2014	
CPST Referendum	Voters	11/04/2014	
Water Quality/Quantity and Sewer			
Councilwoman Smyer			
Action Plan (Continuation from last years plan)	Who	Date	Action Taken
URS Engineering Study	W/S Com	12/08/2011	Completed
Obtain quotes based on said Study	W/S Com	11/08/2012	Completed
Review RO Study	W/S Com	11/08/2012	Completed
Seek input via referendum or survey	Administration	11/13/2012	Completed
Review impacts of Legislative changes (ie fluoride levels exceedances)	Administration	07/31/2012	Completed
Joint meeting with Water and Sewer/Council on Reverse Osmosis	Administration	01/24/2013	Completed
Resolution calling for referendum	Council	02/14/2013	Completed
US Justice Department Approval for referendum	Municipal Clerk	02/20/2013	Completed
Secretary of State approval for election date	Municipal Clerk	Apr-13	Completed
Quotes for Public Relation Firm	Administration	02/25/2013	Completed

Public Relations Campaign	W/S Com	Apr-13	Completed
Referendum	Elections Commi	06/25/2013	Completed/Referendum failed 187-164
Special Council Meeting Town Council and Water Committee	Mayor Lyons	08/19/2013	AECOM presentation on Progressive Design Build to incrementally solve water issues
Issue an RFQ for Progressive Design Build	Council	09/12/2013	Approved by Council to spend \$1,000 on engineer
Additional Direction from Town Council	Council	02/13/2014	Council directed Utilities Dir. meet with W & S Committee and make recommendations
Develop CIP and funding needs (Phasing in improvements)	Utilities Dir/Adm	03/31/2014	Completed
Meet with W&S	Utilities Dir/Adm	04/05/2014	Completed
Make recommendation to Council to include funding	Council	05/10/2014	Completed

Flood Insurance (Biggert-Waters Legislation)		Mayor Burley L. Lyons	
Action Plan	Who	Date	Action Taken
Schedule meeting for residents to ask questions	Adm	01/13/2014	Completed
Notified Coastal Consortium about legislation	Adm	10/29/2013	Completed
Joined GNO/Coalition for Sustainable Flood Insurance	Adm	10/29/2013	Completed
Legislation passed to delay implementation for 4 years	Legislators	03/21/2014	Completed
Keep public and Council updated on legislation	Adm		ongoing
Join newly established GNO non profit organization	TBD		

Staff Priorities (Government restructuring, personnel, staff salary)		Councilwoman Darby	
Action Plan	Who	Date	Action Taken
FY 2014-2015			
Compensation Analysis all Departments	Adm	03/12/2014	Completed
Fire Department			
Request reorganization add 1 FT remove 1 PT	FD	04/10/2014	Completed
Increase salary of PT by \$2.00 hour	FD	04/10/2014	Completed not approved
Increase current full time salary to 34,000	FD	04/10/2014	Completed
Purchase Tahoe trade HHR/Dodge	Council	02/13/2014	Completed
Replace 1401	FD	03/13/2014	Completed
Cross Training to improve ISO rating	Department	02/20/2014	Completed
Standard Operating Guidelines	Council	TBD	Completed
Request Colleton amend mutual aid agreement removing tanker from Station 20	FD/ADM	02/21/2014	McRoy would not amend agreement. Need to keep Fire Truck at Station 20
Fire Department/Police Department			
Marine Rapid Response	FD/PD	04/10/2014	Completed
Public Safety Facility	FD/PD	02/20/2014	Proposed in concept at retreat, will workup final proposal and costs
Police Department			
Reclassify officer as Assistant Police Chief	Council	02/13/2014	Completed
Transition from Chargers to Tahoe	PD	02/20/2014	Completed
Policy limiting beach patrol on dunes	PD	TBD	
Standard Operating Guidelines	Council	TBD	Completed
Certification of Police Department	PD	TBD	
Implement bike patrol	PD	04/10/2014	Completed
Building Department			
Request additional personnel	Bldng	02/20/2014	Not included in FY20140-15 budget
Zoning Ordinance Rewrite	Bldng	02/20/2014	Presented tentative schedule for approvals

Building Permit Application Process in Commercial Districts	Bldng	02/20/2014	Will draft and present to Council March 2014
Utilities Department			
Training	UD		In progress
Status of Upgrades to Water Distribution System	UD	03/11/2014	Completed
Rate Increase	Adm	04/10/2014	Water and garbage increased by 5%. Sewer withdrawn
Priority of Items to upgrade system with funding needs	UD/Adm	03/14/2014	Completed
Chamber			
Meeting with Chamber Board about Council goals	Council	03/01/2014	Completed
Council assigned Councilman Anderson to Chamber	Council	03/13/2014	Completed
Committees			
Have committees report to Council periodically	Adm	03/13/2014	Completed

Beautification (garbage, comcast, quality of life, etc)			
Councilwoman Hornsby			
Action Plan	Who	Date	Action Taken
Garbage			
Garbage Cans left out			
Yard Waste	Adm	02/25/2014	Completed
Mayor established garbage committee to address	Committee	06/05/2014	1st meeting of garbage committee
Provide update to Council	Committee	06/12/2014	
Comcast			
Contact Comcast and send complaints	Adm	02/19/2014	Send complaints as received.
Quality of Life			
Smoking ordinance outside restaraunts enforcement	Adm	03/10/2014	Completed
Sidewalks and paving		04/29/2014	paving completed/Sidewalks scheduled November 2014

Legislative Involvement (Continuation of last year governmental relationships)			
Councilman Anderson			
Action Plan	Who	Date	Action Taken
Host Legislative Delegation at Edisto	Council	05/01/2013	Completed
Develop Contact Email List	Council	02/25/2013	Completed
Edisto presence at Colleton County Council Meetings	Council	02/25/2013	Completed
Attend CTC and Economic Alliance Meetings	Council	02/25/2013	Completed
Edisto presence in Columbia during Legislative Session	Council	02/25/2013	Completed
Acknowledge Successes in Writing and Socially	Council/Adm		Completed
Notify Elected Officials of Edisto Events	Municipal Clerk		Ongoing-Reminded Muni Clerk October 29, 2013
Regional Advocacy Meeting	Council	09/18/2013	Completed
Invite Legislators to Edisto Beach for events	Municipal Clerk	Ongoing	Completed
Schedule a Legislative Reception on Edisto Beach for State/County	Council	TBD	Completed
Lobby in Columbia for issue important to Edisto Beach	Council	TBD	January through June
Target subcommittees and send emails, letters on issues	Council	TBD	Ongoing
Speak to County Council at least once every six months	Council	TBD	Completed

Council Accomplishments FY 2013-14

OUR VISION:
Maintain Edisto Beach
as a family sanctuary.

OUR MISSION:
Enhance and maintain
Edisto's reputation as a
family-oriented vacation
destination

Policy Actions 2013-14

- Corrected Scrivener's errors on Zoning map
- Amended Ordinance to adopt latest version of the International Fire Code
- Adopted ordinance amending the mobile vending ordinance to provide for extension of the sunset provisions
- Adopted ordinance to suspend section of the code of ordinances with regard to the current water and sewer bill due from The Plantation Grille to allow for a repayment agreement
- Adopted ordinances to increase water and garbage rates by 5%
- Partnered with Ocean Ridge for security which funded 50% of police officer position on Edisto Beach
- Adopted ordinance amending ordinance to add definition of "Retail Business Establishment" and amending section to read "any Retail Business Establishment".
- Adopted law enforcement agreement with Colleton County
- Adopted Capital Improvement Plan for the Construction Fund and Sewer Renewal and Replacement
- Extended sunset provision for mobile vending

Town of Edisto Beach



We are committed to enhancing our citizens' quality of life by providing the highest quality of services that reflect our community's desires

- Adopted ordinance to adopt budget for fiscal year 2014-15
- Passed resolution imploring members of Congress to delay implementation of Biggert-Waters Flood Insurance Reform Act
- Requested Colleton County dedicate funds for future beach nourishment
- Continued rapport with Colleton County Council by attending and participating in Colleton County Council Meetings

- Participated in numerous legislation functions to discuss Edisto issues with Legislators
- Conducted Goal setting and Council retreat and adopted FY2014-15 Goals and Action Plan
- Implemented litter removal on Highway 174 and acquired matching funds from stakeholders
- Passed resolution proclaiming Oct 6 – 12, 2013 as Fire Prevention Week.
- Passed proclamation naming November 2013 as "Pancreatic Cancer Awareness Month".
- Passed proclamation naming May 2014 as Building Safety Month.
- Passed proclamation naming May 2014 as Lupus Awareness Month.
- Passed resolution certifying the 2014 Jury Box is ready for use.
- Passed resolution that the Town of Edisto Beach submits the project of Beach Renourishment to the Colleton Count Project Sales Tax Commission for funding.
- Passed resolution proclaiming Oct 6 – 12, 2013 as Fire Prevention Week.
- Passed proclamation naming November 2013 as "Pancreatic Cancer Awareness Month".
- Passed proclamation naming May 2014 as Building Safety Month.
- Passed proclamation naming May 2014 as Lupus Awareness Month.
- Passed resolution certifying the 2014 Jury Box is ready for use.
- Passed resolution that the Town of Edisto Beach submits the project of Beach Renourishment to the Colleton Count Project Sales Tax Commission for funding.
- Assigned Councilperson to liaison with Chamber

Management Actions

- Participated in the Great American Shakeout (earthquake training)
- Conducted Hurricane preparedness Presentation to the public
- Conducted webinar with NFIP coordinator and Wind/Hail representative
- Issued RFP for the 2016 Beach Nourishment and awarded contract to Coastal Science and Engineering

- Participated in RFP process with Colleton County for emergency debris removal and awarded contract to Ashbritt
- Conducted presentation to capital projects sales tax board for the nourishment project
- Attended Civil Works Board review in Washington, DC for the Town of Edisto Beach Storm Reduction project
- Evaluated several options for liability insurance coverage
- Met with Standard and Poor's to re-evaluate Town using new bond evaluation criteria
- Conducted two budget work sessions
- Implemented Debt Management Policy

Accomplishments 2013-14

Town Services Focus

- Moved community channel to Channel 195
- Implemented Rapid Marine Response
- Implemented Police Bicycle Patrol

Infrastructure and facilities Focus

- Permitted Jungle Shores Drive water line extension
- Placed rock in low spots at convenience station
- Worked with Republic to have new signage placed at convenience station and containers painted
- Municipal Complex Beautification
- Replaced grit chamber
- Replaced five aerators in wastewater lagoon
- Jetted and televised ? feet of storm sewer
- Vinyl sided the Town's apartment
- Worked with DOT on the resurfacing of Palmetto Boulevard
- Worked with DOT on the replacement of sidewalks
- Worked with DOT to include resurfacing of additional state roads on Edisto Beach
- Applied for funding the Colleton Transportation Commission to pave Myrtle Street extension
- Worked with DOT on drainage

project on Myrtle Street

- 4G antennae on water tower
- Revised how we issue utility bills to save money
- Replaced 4 inch main on Docksite Road

Strategic Plan and Development Focus

- Revised Audit Management Discussion and Analysis to meet GASB compliance
- Revised and updated Beachfront Management Plan to mirror Army Corps of Engineers on Feasibility Study
- Building department certification

Health/Safety/Welfare Focus

- Worked with Colleton County to provide additional medical ambulance on Edisto Beach during tourist season
- Installed cameras as a police department force multiplier
- Updated Hurricane plan and notification list
- Updated the emergency operations plan
- Received the South Carolina Municipal Insurance and Risk Financing Fund's Division I (1 to 50 employees) Risk Management Award winner for 2014.
- Reviewed the State Hurricane, Emergency Ops Plan and other emergency related plans to ensure compatibility with Town's plan
- Renewed Intergovernmental agreements for fire and police
- Participated in Risk Management Institute
- Completed the Town's fitness facility and are reviewing incentives to promote staff fitness
- Certified firefighter as Fire Marshall
- Sent employees for additional certifications in water and wastewater
- Provided CPR and AED training to staff and community
- Trained 20 volunteers/staff as certified emergency medical responders
- Participated in agility recovery, a web based system that enables Town to obtain needed equipment and maintain data during an emergency

Governance Focus

- Department Heads represented the Town by participating on numerous Boards and committees of professional associations
- Participated in the GNO regarding Biggert Waters Legislation
- Implemented cross-training of staff to improve ISO rating
- Produced employee benefits brochures

Parks & Recreation Focus

- Budgeted to promote the Market
- Organized 4th Annual Trick or Treat at the creek
- Acquired funding to upgrade electric and design stages at Bay Creek park
- Began construction of Bay Creek Park Restrooms
- Edged bike paths in preparation for 3rd annual 5K run
- Edged all sidewalks and herbicided
- Participated in Beach Sweep
- Modified Bay Creek Park fees





July 5, 2014

The Honorable Burley L. Lyons
 Members of the Town Council
 Town of Edisto Beach
 2414 Murray Street
 Edisto Beach, South Carolina 29438

RE: Budget Transmittal Letter

Dear Mayor Lyons and Town Council Members:

It is a pleasure to present to the citizens of Edisto Beach, members of Town Council and other interested readers the fiscal year 2014-15 operating budget for the Town of Edisto Beach. Carefully planned expenditures over several years have enabled the Town to respond to economic ups and downs. As a result the Town is in excellent financial condition. However, there are outside influences that impact our budget, such as unfunded mandates or legislative initiatives that imply we proceed with caution in the future.

The budget for all funds is \$5,409,737 including a General Fund budget of \$3,805,402. This represents an overall budgetary increase of \$194,269 (3.7%) and a General Fund increase of \$177,673 (4.9%) from the amended FY FY2013-14 operating budget. The budget includes a millage adjustment of 3.58% using previously banked millage caps resulting in an adjusted millage rate of 20.23. One mill equals \$51,717.

	General Fund	Water Fund	Sewer Fund	Total
FY 2009-10 Actual	\$3,366,860	\$749,078	\$514,324	\$4,630,262
FY 2010-11 Actual	\$3,484,015	\$1,012,391	\$786,952	\$5,283,358
FY 2011-12 Actual	\$3,517,062	\$807,295	\$564,866	\$4,889,223
FY 2012-13 Actual	\$3,612,417	\$835,995	\$568,777	\$5,017,189
FY 2013-14 Amended	\$3,627,729	\$944,614	\$643,125	\$5,215,468
FY 2014-15 Budgeted	\$3,805,402	\$1,013,035	\$591,300	\$5,409,737

According to "The Economic Situation, A Quarterly Commentary" by Bruce Yandle of Clemson University, several major economic sectors have fully recovered from the great recession. Housing is the key sector still in recovery and Yandle anticipates it to fully recover around 2016.

In March 2014, the Council held a planning retreat to set goals to guide Town Services. These goals and action plans are listed on pages 8-10. Other goals, not listed as the top five priorities for the Town are incorporated into Departmental Strategic Plans.

Short Term Factors and Budget Guidelines

The objectives of this budget are to preserve the current level of services with declining or flat revenues while making progress towards and implementing the Town's long range plans. Other significant assumptions are:

- ❖ **Conservative, but realistic projection of revenues and expenditures.** Conservative projections help ensure that adequate resources will be available to meet budgeted obligations. This is achieved through trend analysis adjusted by outside indicators.
- ❖ **Low Inflation.** General price levels are expected to increase approximately 2 percent. The five-year financial forecast projected expenditures to exceed revenues in both fiscal year 2013-14 and 2014-15, departments were requested to maintain expenditures at prior funding levels or attempt to reduce their operating costs where possible.
- ❖ **Declines in property tax revenues.** A decline in taxable value has occurred because of the numerous appeals in reaction to the 2010 reassessment. This has recovered slightly with new home construction but values of homes from sales on Edisto Beach remain flat.
- ❖ **Maintain target fund balances to preserve financial integrity.** This budget exceeds the targeted fund balance position established by the Town Council.
- ❖ **Annual Review of all significant fees.** Major fees are reviewed annually and adjusted as needed.
- ❖ **Wage adjustments.** Wages for department heads and administrative staff were budgeted to remain the same as the prior year. Wage adjustments for pay for performance are included in the budget. Cost of living adjustments will be evaluated after the tax roll has been certified.
- ❖ **Employee benefits.** The South Carolina Retirement employer contribution rate is expected to increase by 2% annually. This year the rate increased from 10.6 to 10.9 or 2%. The police and fire retirement employer contribution rate is expected to increase by 4.5% annually. This year the rate increased from 12.64 to 13.21 or 4.5%. Health insurance is anticipated to increase by 10%.
- ❖ **Local Government Fund.** This funding remained the same and since the Town receives minimal funding from the LGF, any change is not detrimental to the revenue stream. The Town has not recovered from the incorrect 2010 Census numbers.
- ❖ **Unfunded Pension Liability.** Although not indicated in this budget, the audit for the budget period ending June 30, 2014, will include an unfunded pension liability that may impact future bond ratings.
- ❖ **Beach Nourishment.** Beach nourishment remains in the forefront for future funding needs. If the Capital Project Sales Tax Referendum is successful, Colleton County will provide \$4,000,000 towards this project. Council has been saving for this project over the past few years and although a substantial amount of funds have been saved for this project, additional funding will be necessary. State participation is essential.
- ❖ **Water Supply, Demand and Quality.** This is another major issue that will need to be addressed in the near future.

Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting. Modified accrual accounting recognizes revenue when they become measurable and available. Measurable

means that the dollar value of the revenue is known. Available means that it is collectible within the current period or soon enough after the end of the current period to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary fund types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method revenues are recorded at the time liabilities are incurred.

Funds are organized as major funds or non-major funds. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria. 1) Total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all funds of that category. 2) The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all funds. 3) Any fund that the Town believes is particularly important may be reported as a major fund.

Town of Edisto Beach				
<i>List of Funds</i>				
				Included
Fund	Fund Type	Description	Appropriated	in Budget
General	General	Accounts for activities related to the general operations of the Town.	Yes	Yes
Water	Enterprise	Accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees. This accounts for activities related to the water system.	Yes	Yes
Sewer	Enterprise	Accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees. This accounts for activities related to the sewer system.	Yes	Yes
Local Accommodations	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to tourism activities.	No	No
Hospitality Fee	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to tourism activities.	No	No
Bay Creek Park	Special Revenue	Accounts for activities related to the construction of Bay Creek Park. Operations of the park are accounted for in the general operating public works parks and recreation.	No	No
Water R&R	Special Revenue	Accounts for activities related to the renewal and replacement of the water system and is used for repairs to or the replacement or renewal of capital assets of the water system.	No	No
Sewer R&R	Special Revenue	Accounts for activities related to the renewal and replacement of the sewer system and is used for repairs to or the replacement or renewal of capital assets of the sewer system.	No	No
ATAX 65% Fund	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to tourism activities.	No	No
Alcohol Permit Fund	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to tourism activities.	No	No

General Equip/Vehicle	Internal Service Fund	A proprietary fund type used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments on a cost-reimbursement basis.	No	No
Utilities Equip/Vehicle	Internal Service Fund	A proprietary fund type used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments on a cost-reimbursement basis.	No	No
Fire I & I	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to specified fire department activities such as retention.	No	No
Edisto Pride	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to litter awareness activities.	No	No
Volunteer Fire Dept.	Special Revenue	A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects. This fund is restricted to fire related activities.	Yes	Yes
Pooled Cash	Operating Reserve Fund	A governmental fund type used to account for and report the transfer of reserve funds from the Local Government Investment Pool to various other funds.	No	No

Current Budget Initiatives

- ❖ Develop a balanced budget
- ❖ Improve efficiency and effectiveness by optimizing utilization of employees and by recognizing and rewarding employees for their accomplishments
- ❖ Maintain level of services expected by residents, businesses and visitors
- ❖ Research and evaluate alternate funding opportunities to include grants, regionalization and public/private partnerships

Develop a Balanced Budget

By definition, a balanced budget means that total budgeted expenditures do not exceed budgeted revenues plus available fund balance. An important step in this process is comparing annual revenues with annual expenditures to ensure the annual expenditures do not exceed annual revenues. General Auditing practices require the general fund to have a reserve of two months operating budgeted expenses each year.

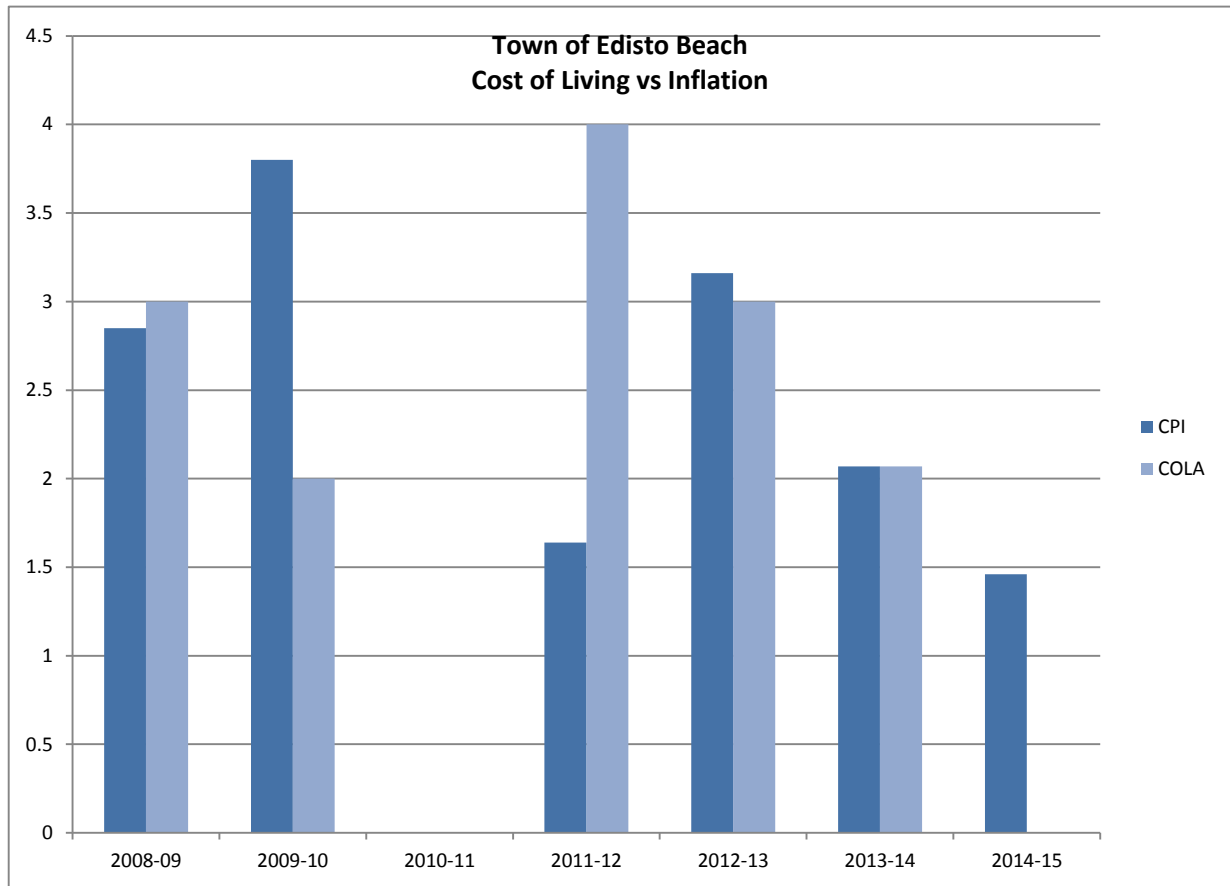
We have a balanced budget with an anticipated fund balance of \$2,760,863.

Recognize and Reward Employees

Edisto Beach, like other communities has experienced problems with recruitment and retention of qualified employees. Training new employees who leave after a year or two is costly and decreases the efficiency of the departments. In the past, the Town has provided unilateral merit and cost of living increases. This industry standard does not promote exceptional performance because average or poor performance is often awarded the same as above average or exceptional performance.

Council recommended Administration work towards a pay for performance system which was implemented in FY 2010-11. Employees who excel in performance are reviewed annually for salary adjustments. Adjustments are not unilateral, but based on numerous factors including job performance, certifications, achievements, etc. Salary adjustments for performance are included in this budget.

A 2% cost of living (COLA) increase will be considered after the tax roll is certified and only if property taxes can support this increase and only for employees who are not in their introductory period and are performing satisfactorily. This increase is NOT included in this budget. Included in the budget from one-time appropriations is a bonus for the part-time firefighters which consists of a COLA increase and will only be implemented if all employees are given this increase. The graph below shows a historical snapshot of cost of living increases compared to inflation.



The Town of Edisto Beach offers a competitive benefits package. All full-time employees receive 100% employer paid health, dental, life and long term disability insurance. Beginning in January 2015, health insurance anticipated costs will increase from \$447.60/monthly to \$492.36/monthly, a 10% increase. In addition, full-time employees can purchase dependent healthcare. The Town also offers other elective insurance options for employees such as short term disability, cancer policies, etc.

The Town provides pension benefits for all of its full-time employees through a traditional, joint-contributory, defined benefit plan in the state wide South Carolina Retirement System. The SCRS provides members a guaranteed monthly pension based on a formula that includes the member’s average final compensation, years of service and benefit multiplier of 1.82 percent. Employees’ deposit 8.0% (SCRS) or 8.41% (PORS) tax deferred of gross pay and a member is vested after 8 years. Employees hired before July 1, 2012 are vested in 5 years. Typically members can retire at age 65 with 5 years of service. Police and fire can retire at age 55. The employer contribution increased from 10.6% to 10.9% for employees in the South Carolina Retirement System and from 12.64% to 13.21% for employees in the Police Officers Retirement System. The PORS rates increased from last year. Some additional changes to the pension plan were also implemented.

Other benefits include fifteen paid holidays, 12 days of paid sick leave and accrued, paid annual leave based on years of service, paid jury duty, and bereavement leave for all full-time employees.

Maintain Level of Services Expected

The Town plans to survey residents in 2015 to determine if the services provided are as expected and seek input on ways to improve services. The last survey was performed in 2012. Upgrades to the website will allow the Town to poll residents on individual issues.

Grants/Regionalization/Privatization

Staffs continue to search for additional revenue sources or cost reductions to minimize the number of tax and fee adjustments required to maintain the current level of services. Regionalization and privatization are two commonly used methods of reducing costs; however, these do not come without challenges.

The Town entered into a private/public partnership with Ocean Ridge Property Owner’s Association to partially fund a police officer position in FY2012-13 which funds \$36,247 of the position.

Although the budget relies heavily on property taxes, the Town has varied revenue sources. Historically, grant funding has been utilized to maximize funds and reduce the reliance on property taxes for special needs or projects such as beach access and park improvements and continues to be aggressively pursued by all Departments.

In 2013, the Town was awarded a \$400,000 enhancement grant by the Department of Transportation and was awarded \$321,167 in matching funds by the Colleton Transportation Committee for the enhancement grant. Another \$400,000 was applied for and awarded by the Colleton Transportation Committee (CTC) for drainage improvements. Because these projects are being administered by the Department of Transportation, funds were not budgeted in the Town’s budget. These projects are anticipated to be completed in 2015.

Dept.	Funding Agency	Item	Amount	Match
*Adm	CTC	Sidewalk Enhancement	321,167	0
*Adm	Department of Transportation	Sidewalk Enhancement	400,000	CTC
*Adm	CTC	Drainage	400,000	0
Total			1,121,167	

*Awarded

Millage rate

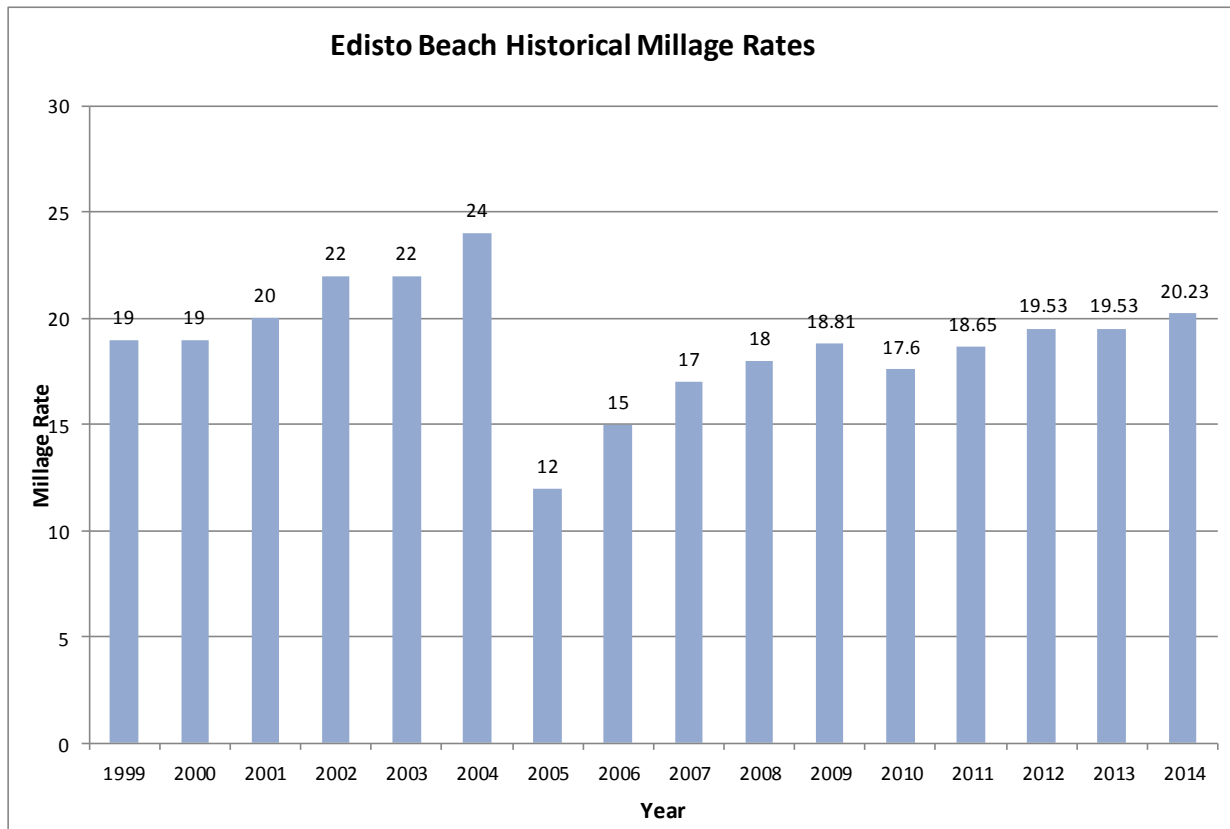
The budget provides a total millage rate of 20.23 mils. This rate includes a millage cap increase of 3.58%, as allowed according to Section 6-1-320 of the South Carolina Code of Laws using banked millage increases. Section 6-1-320 of the South Carolina Code of Laws establishes millage caps for local governing bodies equal to the increase in the average of the twelve monthly consumer price indexes for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2013, the percentage increase in previous year in the population of the entity as determined by the Division of Research and Statistics of the SC Budget and Control Board. The consumer price index increased and was 1.46% from Calendar Year 2013 to Calendar Year 2014. The population of Edisto Beach was -0.24%. Adding these two components together yields a millage cap of 1.46% for the Town of Edisto Beach. South Carolina Code sets a “hard cap” on millage increases. A portion of this rate is being banked for future use.

Below is a table showing the millage bank.

Fiscal Year	Prior Year Millage	% Average CPI	% Population Growth	Allowable Annual % increase of millage rate	Millage Bank Used	Millage Bank Balance
FY 11-12	18.65	1.64	0	1.64	0	1.64
FY 12-13	19.53	3.16	0	3.16	-4.71	.09
FY 13-14	19.53	2.07	0	2.07	0	2.16
FY 14-15	20.23	1.46	0	1.46	-3.58	.04

When thinking about property taxes, you need to understand the millage rate. The millage rate is a simple ratio of a dollar to each thousand dollars of the property's value. A millage rate means that it is one-thousandth of the value. Millage rates differ among towns, cities and counties and are officially set by that governing body.

Edisto Beach historical millage rates are shown in the graph below.



Financial Information and Policies

Fund Balance

In August 2012, Council passed a General Fund Balance Policy. This policy requires the Town maintain two months operating in general fund balance. The Town is in compliance with this policy and must maintain or exceed a balance of \$634,233. The fund balance as of April 30, 2014 is \$2,760,873.

Banking

The Town utilizes Enterprise Bank and the last request for proposals was issued in December 2010. For deposits in the Town's financial institution, there is a risk that, in the event of a bank failure, the Town's deposits might not be recovered. The Town does not have a policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. Uninsured and collateral held by pledging bank's bond department, not in the Town's name is \$2,035,264. The same applies to certificates of deposit held by the same bank.

Investments

The Town adopted an investment policy in June 2010. Edisto Beach conservatively invests and currently only utilizes the Local Government Investment Pool and Certificates of Deposits. Investments in the amount of \$4,003,236 are invested in the South Carolina Local Government Investment Pool. These funds are not evidenced by securities that exist in physical or book-entry form. They are not exposed to custodial credit risk. Certificates of Deposit in the amount of \$1,222,720 are held by the Town financial institution and are exposed to custodial credit risk and are uninsured. The Town has an option of investing funds for a higher rate of return, but this has an associated risk.

Interest

The current interest rate on the Town's checking account is 0.05% down from last year's rate of 0.1%. The pooled interest rate is 0.1359% below last year's rate of 0.1958%. The rate in 2008 was 2.8%. Last year, the Town implemented staggered investments using certificates of deposit. The interest rate on certificates of deposit is 0.35%. This is down from last year's rate of 0.6%.

Capitalization

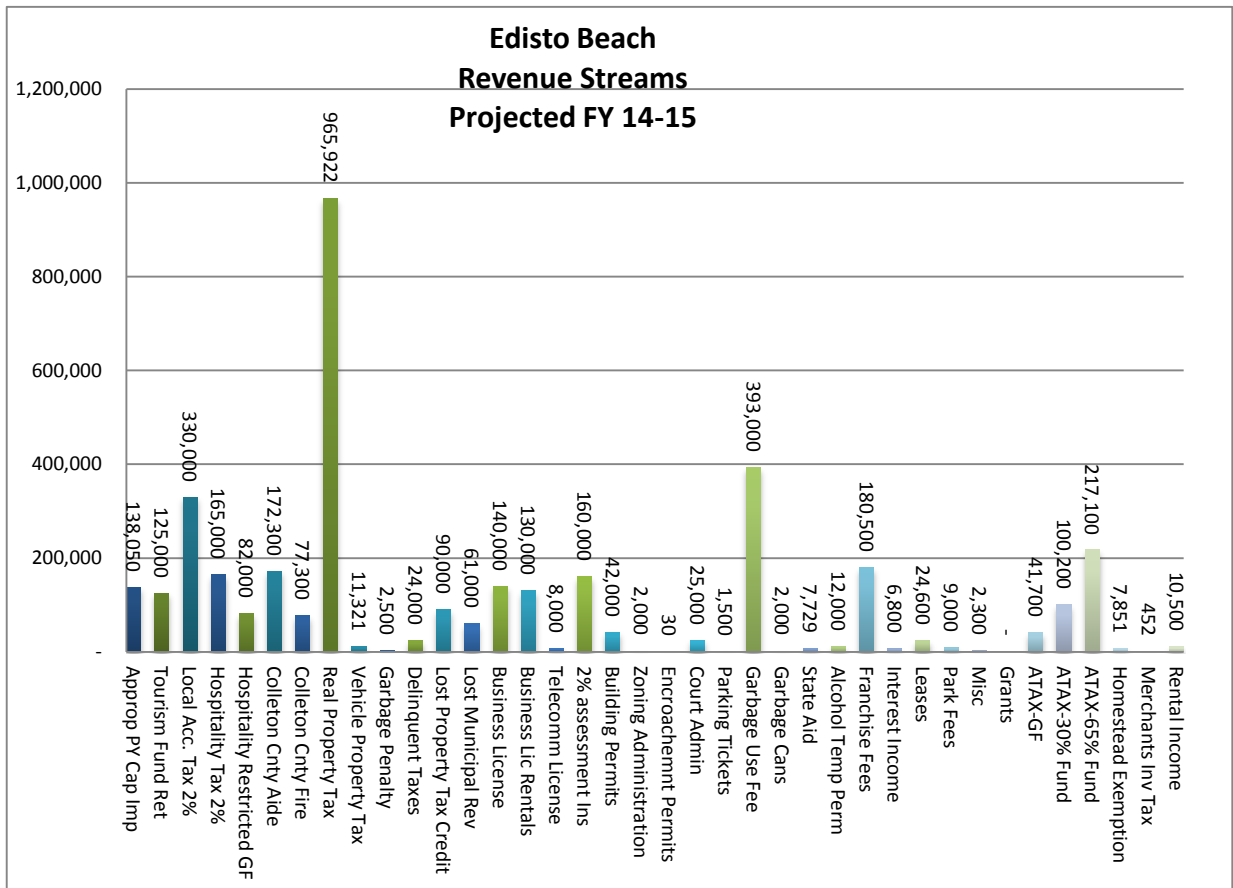
Town Council adopted a capitalization policy in January 2010 that defines the recording of general infrastructure assets and the depreciation of general capital assets in compliance with GASB 34.

General Fund Revenues**Where does the money come from?**

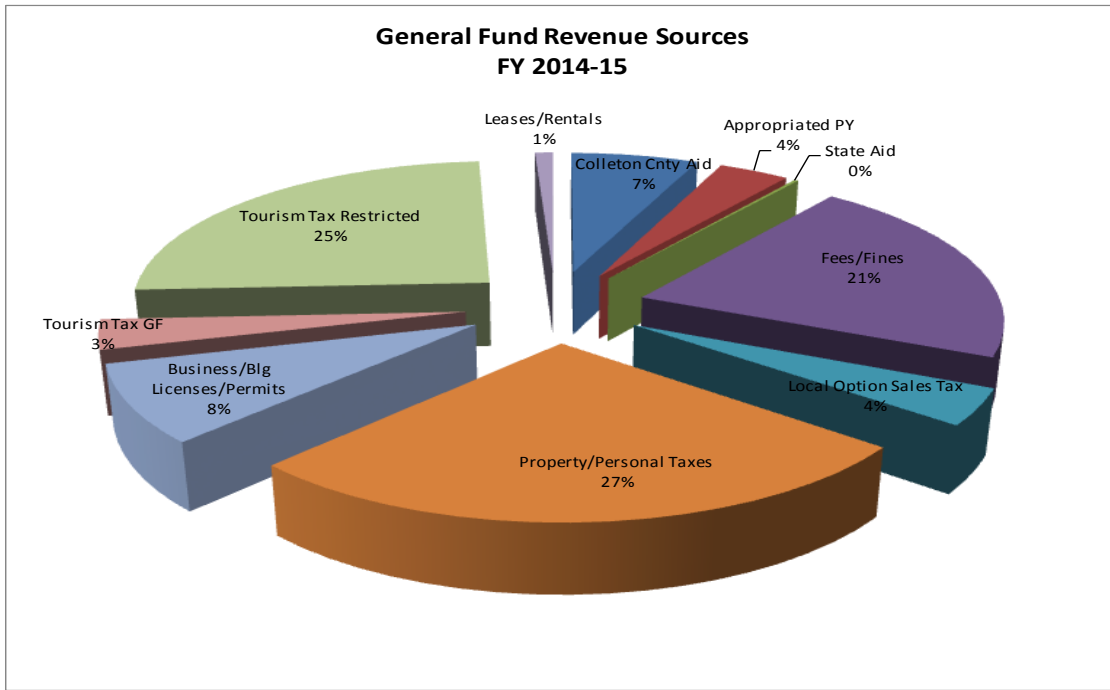
The operating and capital budgets are financed by revenue sources identified in the following figures. Total projected revenues for FY 2014-15 are \$5,409,737, a 3.7% increase from the FY 2013-14 amended budget.

Several methods are used to project the individual revenue sources used to finance local government. The sources producing the most revenue are modeled using time series statistical programs. The results are modified based on current and projected economic trends, and views of experts as conveyed in local, state, and national publications. When projecting the secondary sources, extrapolation of trends is used, and in the case of stable sources, the current fiscal year estimate is carried over in the next fiscal year. A final method is the "Delphi" approach. Town staffs responsible for managing a program that generates revenue are asked their opinion of revenue growth rates. Often the initial amounts are modified after discussions with staff and evaluation of outside influences.

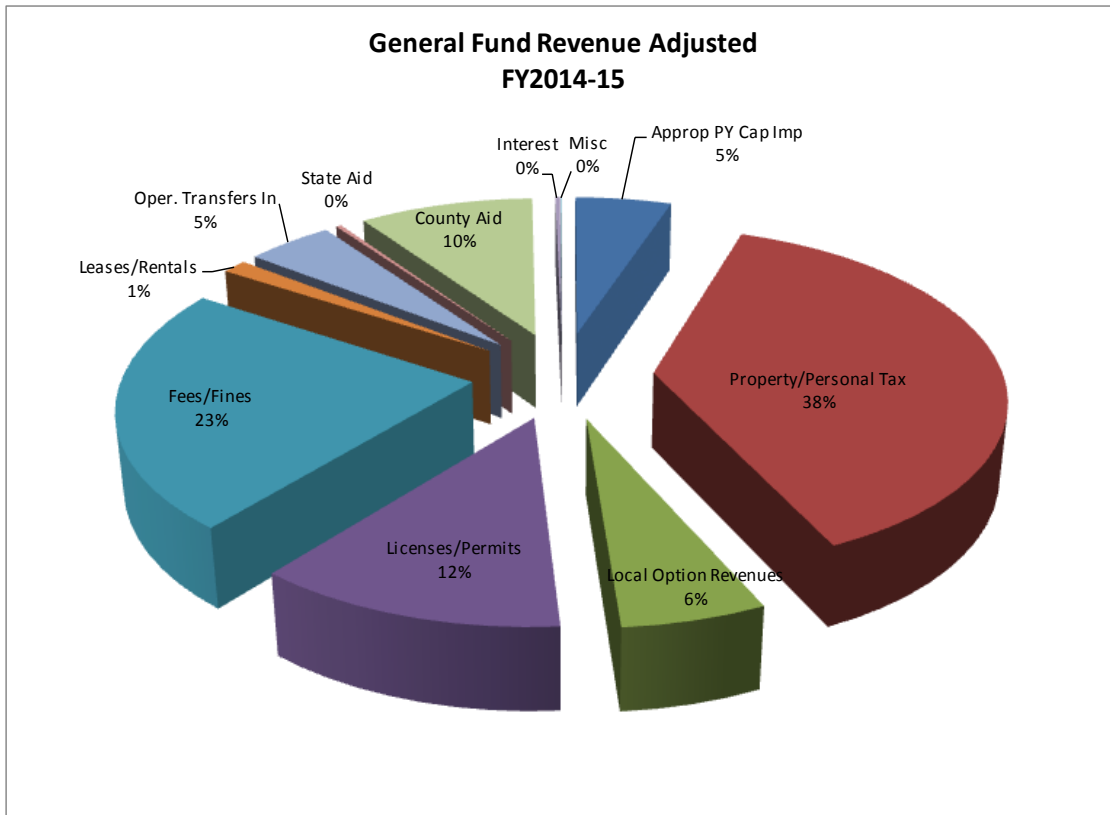
The Town revenue sources are provided from taxes on real, personal and vehicle property; business licenses; permits; fees; charges for services; and other miscellaneous collections.



Some of the identified revenue streams are not entirely available to the Town for general operations, such as portions of the Local Accommodations Tax, Hospitality tax, ATAX funds and grants. Some revenues are restricted and can only be used for designated purposes as defined by state code. The graph below depicts all revenues including restricted funds with the exception of grants which are not included in the revenues.

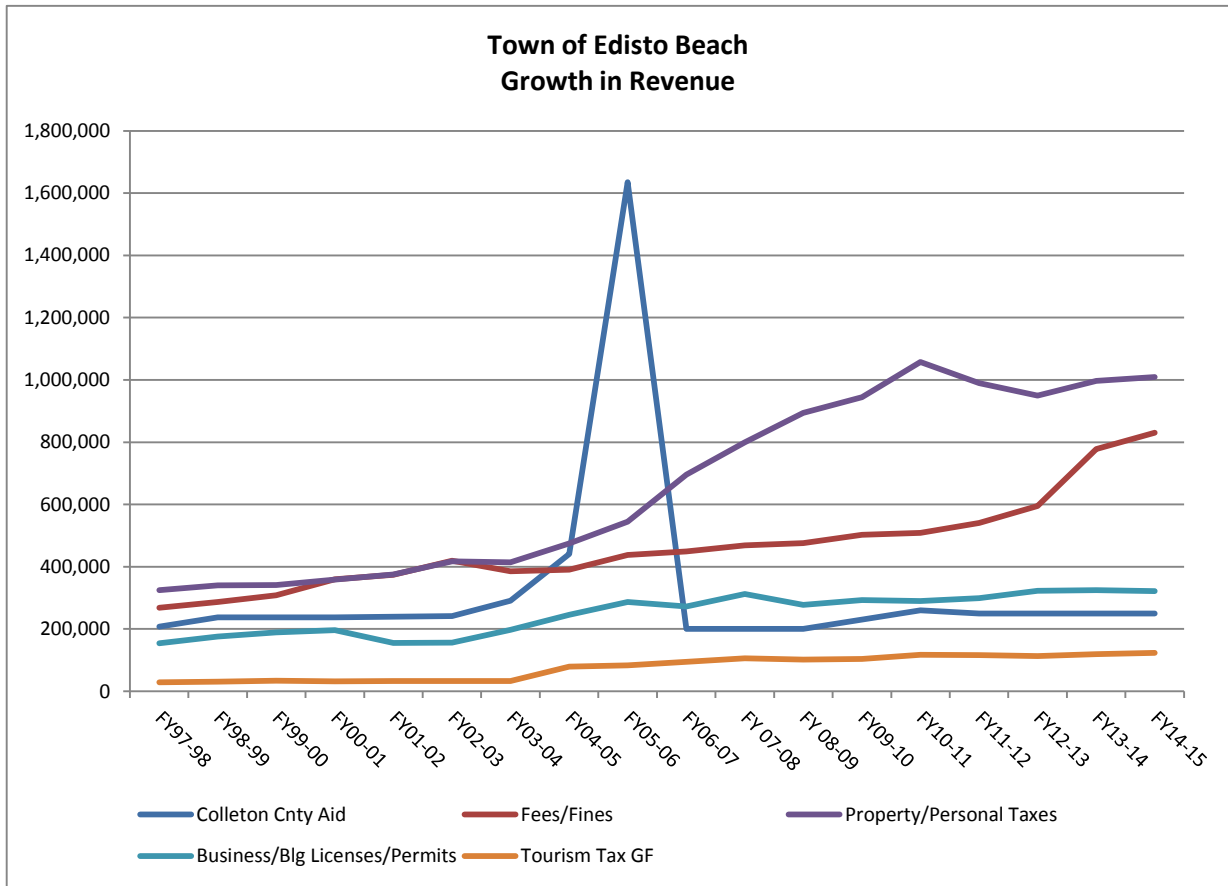


The following graph is adjusted to remove all revenue sources that are not available to the Town for operations. “Operating transfers in” are portions of restricted funds that are allowed to be used for operational purposes.



Taxes known as ad valorem property taxes collected on real estate, personal property and vehicles account for 38% or the majority of the general fund revenues. Business licenses and building permits account for 12% of the general fund revenues which are equal to last year.

Of the five largest revenue sources, most show slight or incremental increases over time. Fees and fines show a substantial increase between FY2012-13 to FY2013-14 mostly due to franchise and garbage fees. Property taxes dipped in FY 2012-13 and show a slight recovery in FY2013-14. For budgetary purposes, these revenues are considered flat.



Highlighted revenue funds are described in greater detail below.

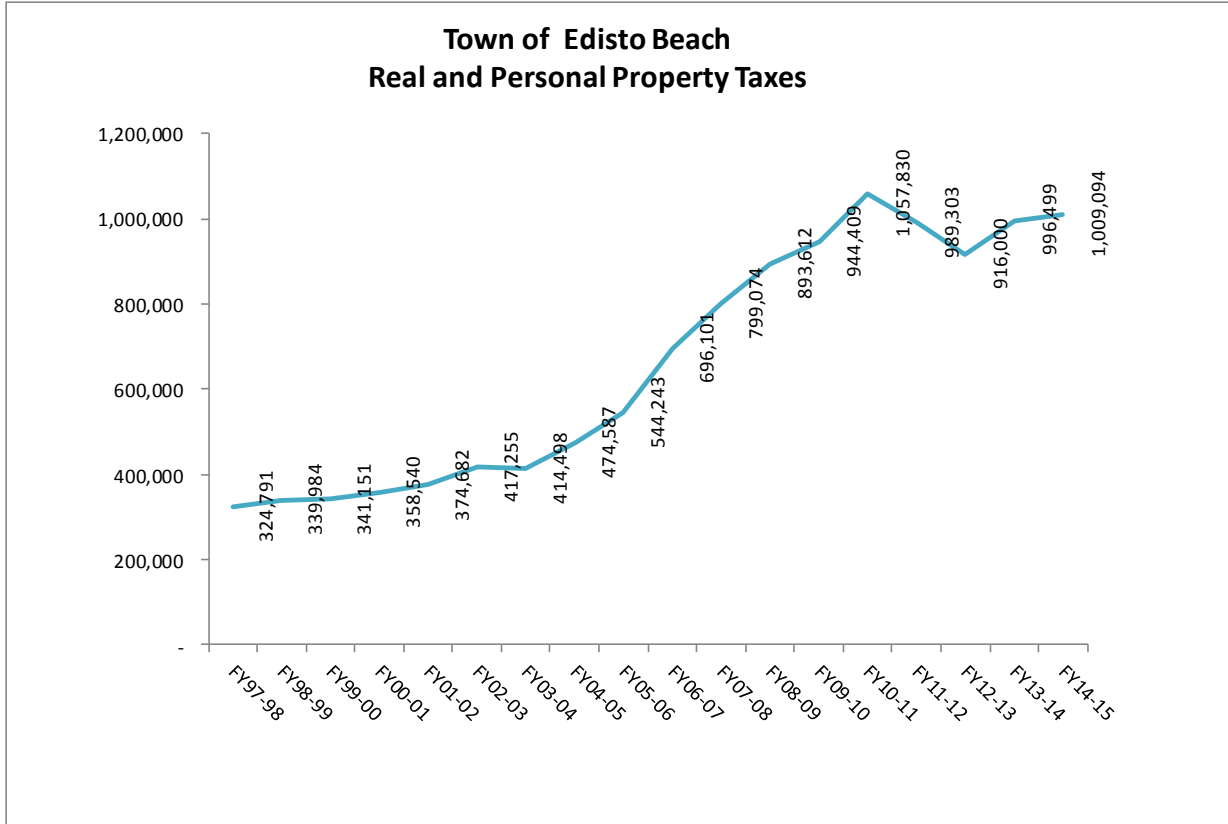
% Change General Fund Revenue

Revenue							
	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	Increase	%
	Actual	Actual	Actual	Budget	Budget	Decrease	Change
Grant DPS	-	-	88,794	-	-	-	
Ocean Ridge Security Services	-	-	-	-	36,247	36,247	100.00
Appropriated PY Capital Improvement	-	-	-	112,950	138,025	25,100	22.22
Tourism Fund Bond Retire	125,000	125,000	125,000	125,000	125,000	-	-
Colleton County Aide	183,002	172,300	172,600	172,300	172,300	-	-
Colleton County Fire Aide	77,000	77,300	77,000	77,300	77,300	-	-
Local Acc. Tax 2%	283,162	311,261	325,905	300,000	330,000	30,000	10.0
Hospitality Tax 2%	156,975	153,221	162,478	155,000	165,000	10,000	6.5
Hospitality Restricted GF	78,487	76,611	81,239	77,500	82,000	4,500	5.8
Vehicle Property Tax	6,123	9,708	9,414	9,500	11,321	1,821	19.2
Garbage Penalty	2,405	2,171	2,428	2,500	2,500	-	-
SCLGAG Reimbursement	-	45,089	40,580	6,312	-	(6,312)	(100.0)
Real Property Tax	998,521	946,049	903,596	944,148	965,922	21,774	2.3
Lost Property Tax Credit	95,365	89,598	92,799	90,000	90,000	-	-
Lost Municipal Revenue	67,557	61,804	57,336	63,519	61,000	(2,519)	(4.0)
Delinquent Property Tax	46,377	26,683	28,763	35,000	24,000	(11,000)	(31.4)
Business License	133,146	135,957	145,456	135,000	140,000	5,000	3.7
Business License Rentals	121,675	127,057	127,208	130,000	130,000	-	-
Telecommunications License	9,090	8,559	7,934	8,000	8,000	-	-
2% Assessment Ins. Cos	160,488	177,302	150,180	165,000	160,000	(5,000)	(3.0)
Building Permits	46,600	36,494	49,856	44,775	42,000	(2,775)	(6.2)
Zoning Administration	1,845	1,555	2,650	2,180	2,000	(180)	(8.3)
Encroachment Permits	15	-	15	30	30	-	-

Court Administration	22,856	21,307	32,397	30,000	25,000	(5,000)	(16.7)
Parking Tickets	1,400	300	225	1,500	1,500	-	-
Operating Transfer In	-	-	-	6,908	-	(6,908)	(100.0)
Garbage User Fee	309,150	349,142	377,187	370,000	393,000	23,000	6.2
Garbage Cans	2,005	2,245	2,080	1,500	2,000	500	33.3
State Aid	13,317	7,701	8,944	7,729	7,729	-	-
Alcohol Temp Permit Fee	21,050	14,850	11,050	13,500	12,000	(1,500)	(11.1)
Utilities Franchise Fees	116,793	116,516	121,614	116,000	122,000	6,000	5.2
CATV Franchise Fee	51,349	48,845	57,828	51,000	57,000	6,000	11.8
ATT Franchise Fee	-	-	1,096	1,408	1,500	92	6.5
Alltel Lease	21,600	21,600	24,600	24,600	24,600	24,600	-
Verizon Lease	20,700	-	-	-	-	-	-
Park Fees	30	3,490	8,801	7,000	9,000	2,000	28.6
Misc. Income	5,357	2,593	2,220	11,877	2,300	(9,577)	(80.6)
Interest Income	8,535	6,706	6,613	6,500	6,800	300	4.6
Rental Income	8,550	10,500	10,050	10,500	10,500	-	-
Fire Department Donations	285	707	1,420	690	500	(190)	(27.5)
Police Department Donations	-	300	-	900	-	(900)	(100.0)
Donations General	-	-	4,500	4,500	-	(4,500)	(100.0)
Homestead Exemption	6,809	6,863	7,460	7,460	7,851	391	5.2
Merchants Inv. Tax	452	-	452	452	452	-	-
ATAX General Fund	38,832	39,711	37,882	41,128	41,700	572	1.4
ATAX 30% Fund	82,994	88,267	77,295	96,766	100,200	3,434	3.5
ATAX 65% Fund	179,820	191,246	167,472	209,660	217,100	7,440	3.5
						-	
Subtotal	3,504,717	3,517,060	3,612,417	3,677,592	3,805,402	127,810	3.5

Property Taxes

Property taxes comprise the majority of the revenues received by Edisto Beach. Depressed property values have impacted assessments and although the uncertified assessment values from Colleton County indicate an increase in property taxes, this will not be validated until the tax roll is certified.



Franchise Fees

Franchise fees are the rental costs paid by utilities that use the Town’s rights-of-way or other town property to transmit their services. Rights-of-way are valuable to a Town and cannot be given away to private companies free of charge. Franchise Fees are authorized by S.C. Code §5-7-30. A franchise is the extension of privilege for use of public property for a purpose for which the franchisee does not have a legal right in the absence of the governing body’s consent. The franchise fee is akin to a rental for use of public property and is not a tax. It may be negotiated and may be at a higher rate than a business license tax. A franchise fee may be granted by ordinance (S.C. Code §5-7-260)

Franchise Fees on Electricity-The Town has an existing electricity franchise agreement with South Carolina Electric and Gas. The current electric franchise agreement expires in 2029. The electric company pays 3% of its gross receipts.

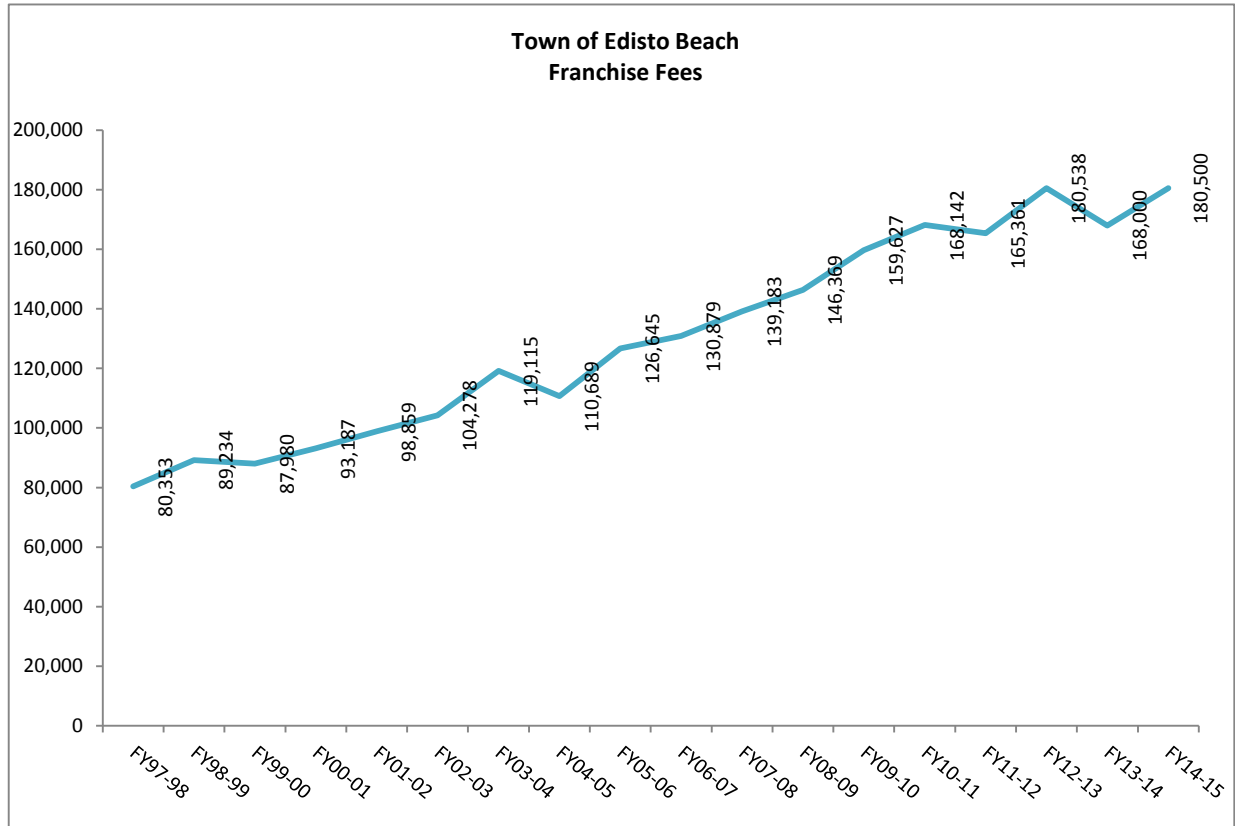
Franchise Fees on Cable- As of May 23, 2006, (the effective date of the Act), no municipality or county may issue a cable franchise pursuant to §58-12-30. All cable franchises must be issued by the Secretary of State. Prior to 2006, the Town utilized the Municipal Association of South Carolina cable television franchise management service to manage negotiating, transferring and determining franchisee’s compliance. The Town collects a franchise fee from Comcast who pays 5% of the gross receipts to the Town on

a quarterly basis. In 2012-13, AT&T began offering U-Verse and pays a franchise fee of 5%.

Franchise Fees on Water and Sewer-The Town owns and operates its own water and sewer utility. In an effort to boost general fund revenues with limited sources, enterprise funds (water and sewer) often charge franchise fees or administrative fees.

Franchise Fees on Solid Waste-The Town currently has no solid waste franchise fee. This fee would be passed on to the users (customers).

Franchise Fees on Telecommunications-The Town does not collect a franchise fee on telecommunications. The Town is allowed by law to collect \$100.00 per S.C. Code §58-9-2230.



Lease Agreements

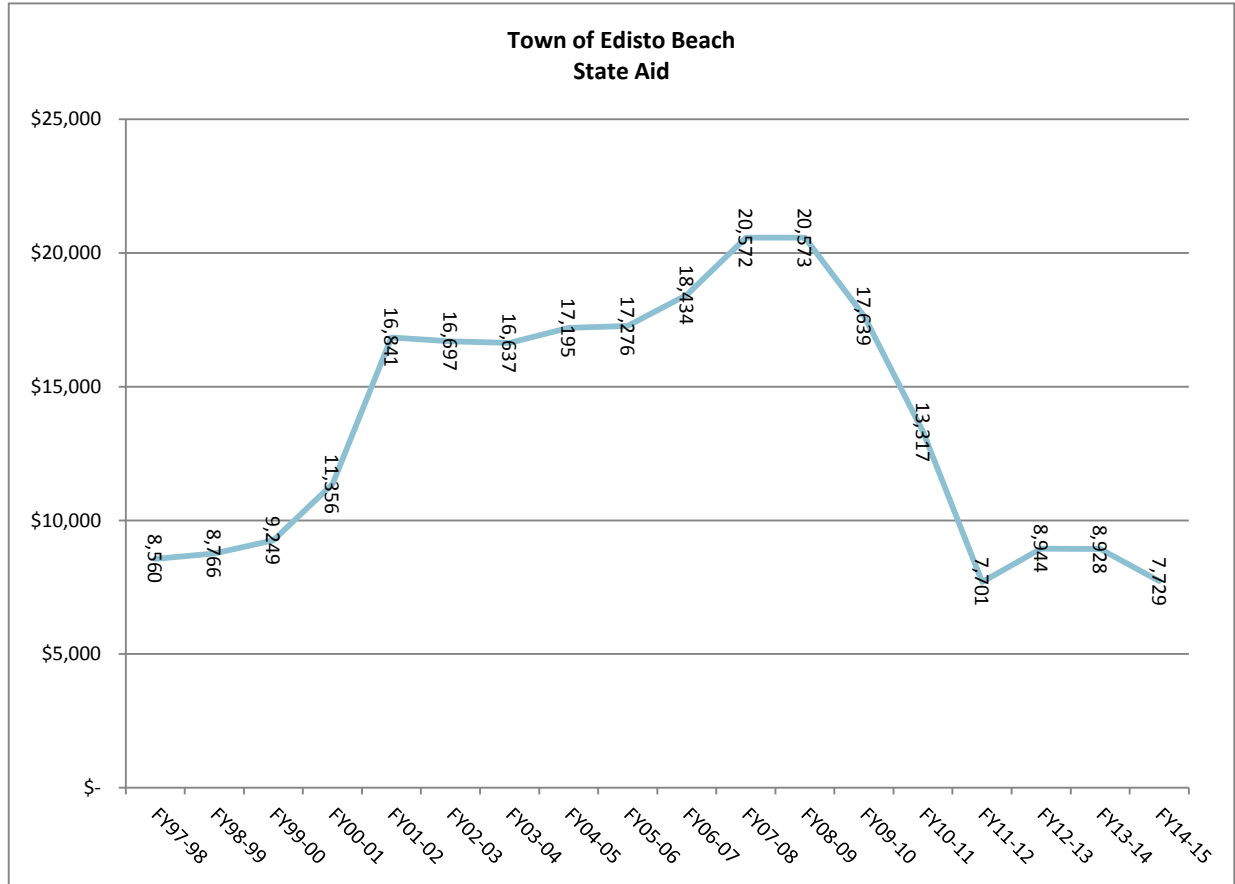
This category accounts for revenues received from lease agreements. The Town has one lease agreement with Alltel. In FY2012-13, Alltel renegotiated their lease and added antennae to the tower. The adjusted cost is \$24,600.

Aid to Subdivisions

The revenue from seven tax sources: banks, beer, wine, gasoline, motor transport, alcohol (mini bottle) and income taxes, go directly to the state general fund. Instead of local governments receiving revenues directly from these seven tax sources, the state calculates the amount of revenue local governments receive based on 4.5 percent of the previous year’s state general fund base revenue. This percentage represents the amount of revenue local governments received from these seven taxes in 1990. According to state law, legislators must set aside the revenue for the LGF before making other state budget commitments, guaranteeing a consistent revenue stream to municipalities and counties annually. The state treasurer distributes revenue from the LGF quarterly to cities and counties. The amount distributed to cities and counties

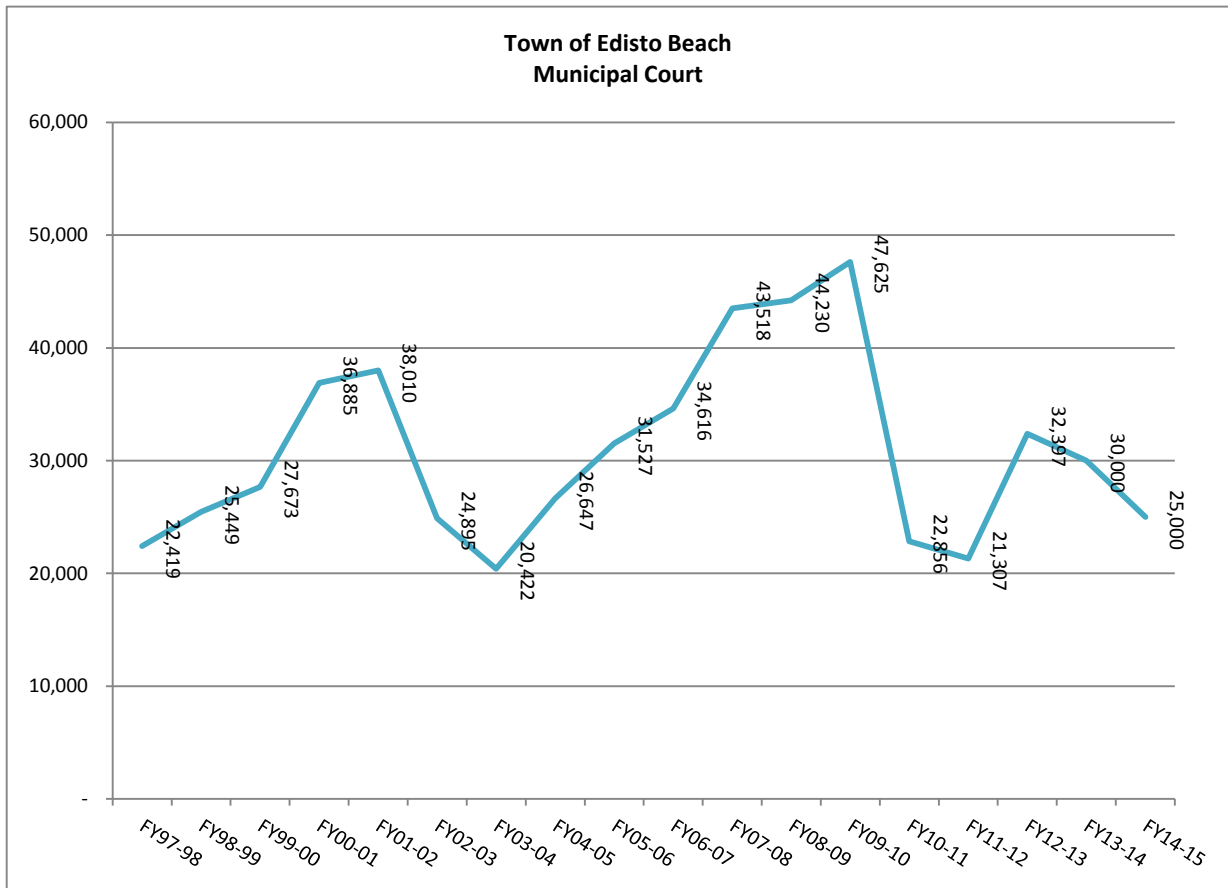
from their respective portions of the LGF is calculated on a per capita basis determined by the last official census figures. This means a city/town’s distribution is based on its percentage of municipal population. As some cities/towns’ populations grow, their share of the LGF increases causing a corresponding decrease in non-growing cities/towns.

Since FY 2008-09, state aid has steadily dropped. This year’s state aid is budgeted at \$7,729.



Municipal Court Fines

Fines are the monetary punishment meted out by municipal courts. Fine revenue for offenses other than traffic violations is general revenue of the Town. The majority of revenues from fines (70%) is submitted to the state and must be used to construct and maintain roads, bridges and culverts in Town and to enforce laws regulating the use of highways by motor vehicles. The Town has typically had fairly good success in collecting court fines and has \$1,306 in outstanding fines over the past 15 years. Court revenues have decreased by 48% since FY09-10.



General Fund Expenditures

Purpose- The purpose of the General Fund is to account for financial resources of the Town used in general operations such as public safety (police, fire, emergency management), public works (including parks and recreation), municipal court, and building administration. In addition, administrative functions including city management, legal services, and fiscal services are funded from revenue generated for the General Fund. Offsetting expenditures are captured in the General Fund Other to account for anticipated revenues in Special Funds such as the ATAX and Local Accommodations taxes.

The General Fund operating budget for FY 2014-15 totals \$3,805,402 and represents an increase of \$177,673 or 4.9% from the previous year’s budget of \$3,627,729. Contingency funds are \$118,946.

General Fund	Amended Budget	Proposed Budget
	FY 2013-14	FY 2014-15
	\$3,627,729	\$3,805,402
% Change		4.9%

Historical line items per department are listed in the chart below:

General Fund Expenditures by Line Item						
General Operating						
Expenditures	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Salaries	112,586	118,566	120,290	126,000	127,500	1,500
Mayor - Council	8,640	8,640	8,640	8,640	8,640	-
Retirement System	10,161	11,250	13,235	13,700	14,215	515
Payroll Taxes	10,529	10,711	10,778	12,100	11,815	(285)
Deferred Comp Expense	585	569	594	624	644	20
Printing Office Supplies	6,529	4,936	5,165	7,000	6,000	(1,000)
Janitorial Service	2,900	2,880	3,180	4,000	4,000	-
Postage	3,861	4,500	,275	4,635	4,500	(135)
Membership & Dues	1,626	1,792	2,795	2,500	2,500	-
Meetings & Training	12,890	5,789	5,368	5,500	7,500	2,000
Electricity Street Lights	25,669	26,164	26,803	28,191	28,800	609
Electricity Complex	11,655	10,543	10,541	12,000	12,000	-
Telephone	9,395	9,806	12,552	13,000	12,000	(1,000)
Equip Repairs Office	12	-	65	200	200	-
Maintenance Contracts	13,945	14,473	13,660	18,600	19,000	400
VC3 (IT)	29,943	26,968	26,436	37,525	41,745	4,220
Prof Fees/Audit Misc.	11,624	47,010	14,985	15,500	16,000	500
Codification Project	4,369	3,892	3,321	4,000	4,000	-
Advertising/Pub Notices	2,391	3,666	3,061	3,000	3,000	-
Insurance General	15,301	15,066	20,975	25,000	25,955	955
Insurance Staff Health	17,761	12,267	11,996	14,265	15,700	1,435
Insurance Auto	986	905	755	850	700	(150)
Christmas Bonus	5,960	4,850	4,600	6,000	6,000	-
Bank Charges	640	370	1,037	650	700	50
Miscellaneous Expense	6,091	1,853	3,437	4,000	4,000	-

Drug Testing	360	795	836	1,000	1,000	-
Gas & Oil	798	1,932	765	1,000	1,000	-
Vehicle Repair/Maintenance	59	-	31	250	10,250	10,000
Equip /Vehicle Depreciation	4,848	16,517	16,250	16,250	11,403	(4,847)
Garbage Contract	329,320	353,477	351,772	370,000	393,000	23,000
Donations	300	100	-	-	-	-
Furniture & Fixtures	500	2,110	170	-	-	-
Office Machines/Software	4,688	5,484	4,497	7,000	7,000	-
Building Maintenance	57,429	7,407	11,243	7,000	7,000	-
Property Purchase	-	-	102,173	-	-	-
Legal Fees	30,623	29,769	44,937	41,000	41,000	-
Bay Creek Waterfront Bond	172,965	175,815	173,450	176,085	173,505	(2,580)
Emergency Funds	609	1,477	216	5,000	5,000	-
Subtotal	928,548	942,349	1,033,884	992,065	1,027,272	35,207
General Government Other						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/
	Actual	Actual	Actual	Budget	Budget	Decrease
Local Acc. Tax 2%	283,162	311,261	325,905	300,000	330,000	30,000
Hospitality Tax 2%	156,975	153,221	162,478	155,000	165,000	10,000
ATAX 30% Fund	82,994	88,267	77,295	88,000	100,200	12,200
ATAX 65% Fund	179,820	191,246	167,472	188,000	217,100	29,100
Alcohol Fee	21,050	14,850	11,050	13,500	12,000	(1,500)
Computer Hardware/Software	21,779	15,715	18,944	15,000	14,000	(1,000)
CIP Miscellaneous	-	-	-	126,550	138,050	11,500
Subtotal	745,780	774,560	763,144	886,050	976,350	90,300
Police Department						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/
	Actual	Actual	Budget	Budget	Budget	Decrease
Salaries	192,954	250,471	264,123	303,687	298,238	(5,449)
Retirement	21,838	28,937	30,765	38,400	39,395	995

Payroll Taxes	16,050	20,494	20,437	24,635	24,100	(535)
Deferred Compensation	33	878	845	850	845	(5)
Printing & office Supply	1,284	1,375	1,387	2,000	2,000	-
Janitorial Service	1,300	35	62	600	300	(300)
Membership and Dues	100	565	300	565	565	-
Meeting, training, Travel	1,827	2,148	2,611	5,500	5,000	(500)
Insurance General	18,980	20,412	20,725	20,500	22,900	2,400
Insurance Staff Health	29,057	25,212	24,016	33,900	32,670	(1,230)
Insurance Auto	10,820	9,362	7,983	8,700	8,400	(300)
Miscellaneous Expense	1,253	371	399	1,200	1,200	-
Psychological Exam	-	-	670	1,000	1,000	-
Gas, oil, minor Repair	24,271	29,807	30,777	35,500	34,500	(1,000)
Vehicle Repair and Maintenance	6,438	7,783	7,473	8,500	8,500	-
Uniforms	5,873	1,898	3,496	5,400	4,400	(1,000)
Equip/Vehicle Depreciation	32,616	84,851	42,458	57,716	65,462	7,746
Furniture & Fixtures	1,150	1,615	-	-	700	700
Equipment Purchases	4,658	4,199	45,821	13,350	3,000	(10,350)
Pagers & Communications	1,841	2,770	868	5,500	8,209	2,709
Radio Purchase & Repair	122	777	64,375	5,597	4,156	(1,441)
Building Maintenance	3,721	3,000	6,314	3,070	3,000	(70)
Expenditures from Donation	151	184	-	385	900	515
Ocean Ridge Security Services	-	-	-	-	36,247	36,247
Subtotal	376,337	497,144	575,905	576,555	605,687	29,132
Municipal Court						
	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Salaries	39,984	42,994	42,784	44,485	44,485	-
Municipal Judge Exp	6,600	6,200	6,800	9,400	8,200	(1,200)
Jury Expense	70	-	140	550	360	(190)
Public Defender	-	-	-	1,000	1,000	-

Associate Judge	-	-	-	-	-	-
Retirement	3,754	4,100	4,535	4,720	4,848	128
Payroll Taxes	3,178	3,414	3,908	4,450	4,450	-
Membership and Dues	115	120	120	125	175	50
Meetings & Training	1,665	1,122	1,118	1,300	1,000	(300)
Court Administration Fees	14,483	12,320	20,412	15,000	20,000	5,000
Insurance General	1,875	1,200	500	750	525	(225)
Insurance Staff Health	7,618	5,454	5,107	5,943	6,410	467
Miscellaneous	262	432	721	400	260	(140)
Law Library	433	-	-	-	-	-
Subtotal	80,037	77,356	86,145	88,123	91,713	3,590
Fire Department						
	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Salaries	275,706	288,175	287,977	260,000	266,800	6,800
Volunteer Expenses	1,870	420	1,860	1,310	1,810	500
Retirement	31,211	32,844	31,892	32,900	35,245	2,345
Payroll Taxes	23,613	24,396	24,391	22,000	21,815	(185)
Membership and Dues	264	-	-	1,000	1,000	-
Meeting, training, Travel	5,319	3,316	2,499	3,000	3,000	-
Fire Engine Maintenance	8,923	23,478	17,003	17,000	15,000	(2,000)
Equipment Repairs	175	43	1,740	1,500	4,341	2,841
Professional Fees	305	295	-	500	500	-
Equipment Testing	2,928	5,660	5,011	7,209	8,400	1,191
Physicals	4,877	3,041	3,111	3,073	4,135	1,062
Ins. General	20,231	20,040	18,925	20,900	21,485	585
Insurance Staff Health	37,343	21,953	9,476	10,675	12,800	2,125
Insurance Auto	10,442	9,490	8,168	8,900	8,000	(900)
Propane	-	-	-	200	200	-
Miscellaneous	385	504	585	1,200	1,200	-

Gas, oil, minor Repair	11,632	12,199	10,854	13,500	13,500	-
Vehicle Maintenance	2,223	2,452	2,374	2,400	2,400	-
Sm. Tools & Supplies	2,824	2,200	435	2,000	4,000	2,000
Compressor Maintenance	-	-	-	850	500	(350)
Uniforms	4,187	1,435	1,910	7,396	7,396	-
Turnout Gear	2,455	1,555	3,230	4,500	-	(4,500)
Equip/Veh Depreciation	94,205	62,465	61,136	61,627	80,410	18,783
Station Maintenance	10,983	14,007	4,776	6,000	5,000	(1,000)
Office Equip/Software	1,005	86	289	2,500	920	(1,580)
Equipment Purchases	1,424	797	781	1,000	1,000	-
Pagers & Communications	1,511	2,800	4,133	4,000	4,000	-
Radio Purchase & Repair	1,653	(182)	897	1,000	2,400	1,400
Subtotal	557,694	533,837	503,453	498,140	527,257	29,117
Safety & Wellness						
	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Employee Physicals	1,541	1,995	861	1,362	1,500	138
HBV Vaccinations	-	108	-	600	600	-
Flu Vaccinations	125	300	225	200	200	-
Subtotal	1,666	2,403	1,086	2,162	2,300	138
Public Works						
	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Salaries	75,646	82,487	86,944	92,125	92,125	-
Salary Mosquito Control	4,854	4,974	2,370	2,500	5,000	2,500
Retirement	7,076	7,865	9,216	9,770	10,045	275
Payroll Taxes	6,165	6,941	6,990	7,650	7,650	-
Insurance General	7,367	8,113	7,375	7,700	6,200	(1,500)
Insurance Staff Health	22,408	14,823	15,460	17,840	18,000	160
Insurance Auto	1,992	2,127	2,070	2,300	2,000	(300)

Christmas Decorations	-	2,258	2,498	6,555	-	(6,555)
Miscellaneous	317	632	519	550	500	(50)
Gas, oil, minor Repair	6,435	7,762	9,637	11,000	10,000	(1,000)
Vehicle Repair & Maintenance	828	361	2,200	2,000	2,000	-
Equipment Repairs	715	3,350	2,497	4,000	3,500	(500)
Sm. Tools & Supplies	969	1,169	970	1,500	1,500	-
Uniforms	2,138	2,395	2,106	3,000	3,000	-
Equip/Vehicle Depreciation	13,432	22,115	22,920	25,392	28,310	2,918
Street Imp/Repairs	4,976	14,568	2,633	10,000	6,000	(4,000)
Street Grading Contract	6,047	6,010	8,176	14,500	11,000	(3,500)
Beach Access Maintenance	101	1,607	1,475	2,500	1,500	(1,000)
Mosquito Chemicals	5,669	11,803	5,024	7,500	7,500	-
Equipment Purchases	2,499	1,603	1,041	5,000	2,000	(3,000)
Public Signs	2,874	6,647	9,920	15,000	2,000	(13,000)
Parks and Recreation	3,491	2,367	2,218	6,400	20,172	13,772
Pagers & Communications	651	608	843	1,200	1,200	-
Subtotal	176,650	212,585	205,102	255,982	241,202	(14,780)
Building Department						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
Salaries	124,797	131,074	131,550	137,400	140,800	3,400
Retirement	11,522	12,508	14,031	14,570	15,345	775
Payroll Taxes	10,084	10,663	10,960	11,120	11,375	255
Deferred Comp Expenses	415	18	-	-	-	-
Office Supplies	-	698	698	1,150	850	(300)
Memberships & Dues	370	445	655	600	800	200
Meetings & training	6,284	5,686	4,909	7,000	7,000	-
GIS	-	428	527	8,085	600	(7,485)
Insurance General	3,531	3,531	3,020	3,400	3,400	-
Insurance Staff Health	22,160	15,217	14,212	17,150	17,740	590

Insurance Auto	1,971	1,809	1,523	1,700	1,400	(300)
Miscellaneous	3,129	759	820	2,000	5,000	3,000
Gas, oil, minor Repair	3,362	4,281	3,369	4,000	4,000	-
Vehicle Repair & Maintenance	319	86	742	2,000	1,000	(1,000)
Uniforms	585	141	-	550	500	(50)
Equip/Vehicle Depreciation	6,709	6,709	6,709	6,709	2,715	(3,994)
Small Tools	-	-	31	150	150	-
Pagers & Communications	1,986	2,962	2,438	2,438	2,000	(438)
Subtotal	197,224	197,015	196,194	220,022	214,675	(5,347)
Contingency						
	FY2010/11 Actual	FY2011/12 Actual	FY2012/13 Actual	FY2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
General Government Contingency	-	296,622	151,662	108,630	118,946	10,316
TOTAL	3,063,936	3,533,871	3,516,575	3,627,729	3,805,402	177,673

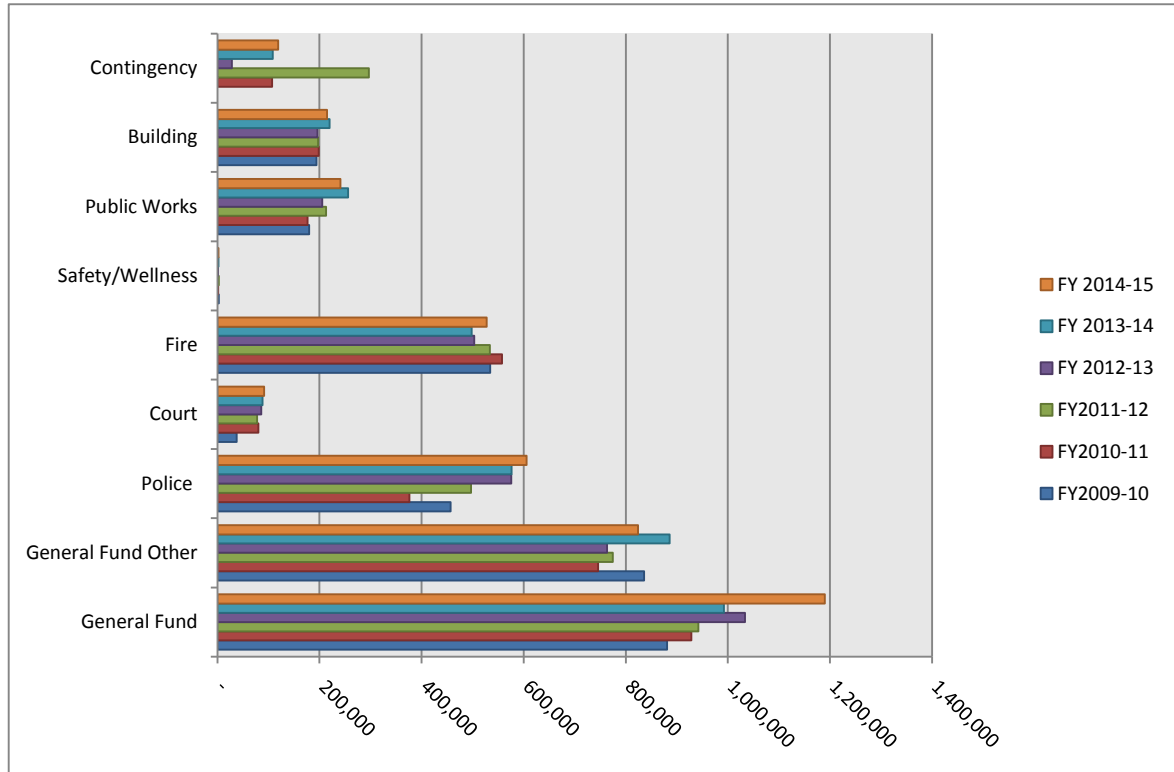
Service changes within the General Fund are listed below:

General Fund Service Changes	Amount	Account
3% Pay for Performance Municipal Clerk	873.94	4100.1010
3% Pay for Performance Finance Clerk	1,431.77	4100.1010
Insurance General added \$1,000,000 business interruption insurance	2,580	4100.3360
Vehicle Repair & Maintenance GPS vehicles	10,000	4100.3450
Computer Hardware/Software 5 computers	14,000	4100.6310
Capital Improvements	138,050	4110.6500
PD-Equip/Vehicle Depreciation (added vehicle)	7,746	4200.3450
PD-Pagers/communications (cameras, laptops)	2,709	4200.9080
PD-Ocean Ridge Security	36,247	4200.9240
FD Salary Adjustments (Increase FT to \$34,000, 5% pay for performance Fire Inspector I, 1 PT to 1 FT)	6,800	4400.1010
FD small tools and supplies (medical supplies)	2,000	4400.3500
PW-Parks and Recreation (incorporated bay creek costs)	13,772	4700.9070
Building Salary Adjustments (3% pay for performance building official, pay for performance codes enforcement officer)	3,400	4800.1010

Prior year funds are used to pay for items that are one-time expenses or non-recurring. These items are listed below:

Prior Year Funds	Amount
Police Dept. Digital Vehicle Repeaters	31,150
Fire Dept. Digital Vehicle Repeaters	9,000
Web Site Updates	10,000
Update Street Signs (Unfunded federal mandate)	7,000
Jungle Road Park Swings	1,200
Replace Rotted Wood Bay Creek Park Building	4,000
Bay Creek Park Stage	50,000
Complete Document Storage Project	6,000
PD-1 AED for duty patrol car (moved car to car)	1,500
FD-Replace 2 SCBA \$2,500 each	5,000
FD-Replace K-12 Chain Saw	1,450
FD-Replace PPV Fan	2,270
Christmas Tree (20 Ft)	5,000
Bonus Checks for part time firefighters (1/15 approval)	4,480
Total	138,050

The following graphs compare historical expenditures and/or budgets by department by year.



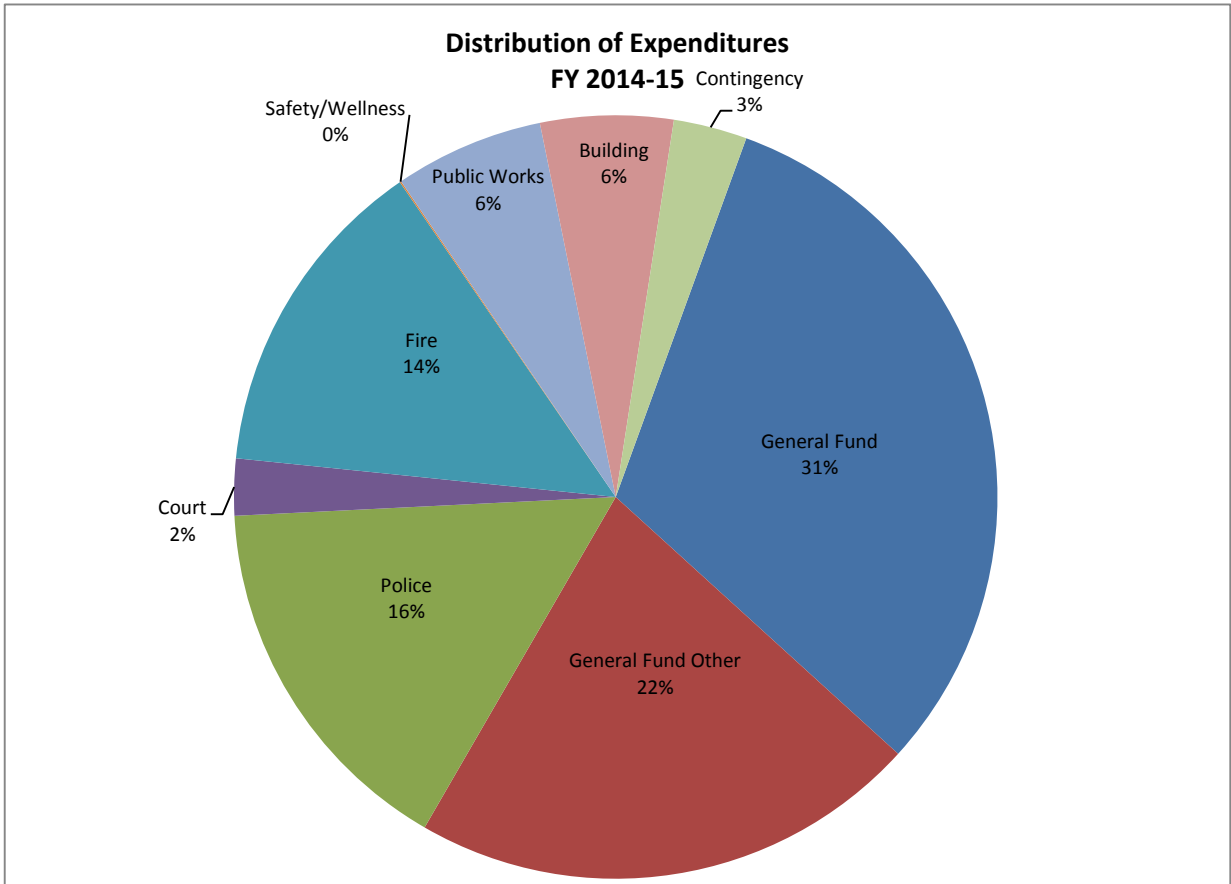
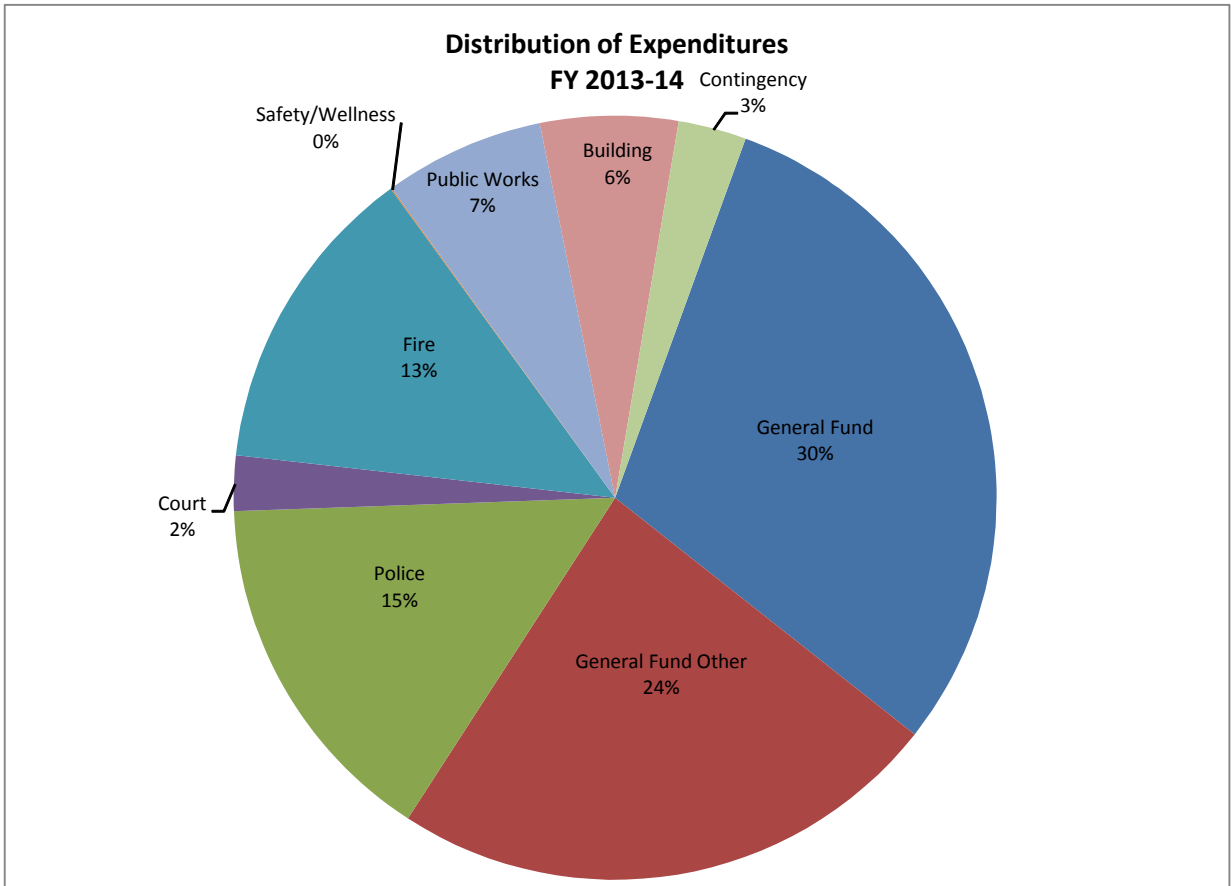
% Change General Fund Departmental Budgets

Department Budget	FY12-13	FY 13-14	FY14-15	Difference	% Change
Administration	1,033,883	992,065	1,027,272	35,207	3.5
General Gov't Other	763,143	886,050	976,350	90,300	10.2
Police	575,905	576,555	605,687	29,132	5.0
Municipal Court	86,145	88,123	91,713	3,590	4.1
Fire	505,454	498,140	527,257	29,117	5.8
Safety and Wellness	1,086	2,162	2,300	138	6.4
Public Works	205,101	255,982	241,202	-14,780	-5.8
Building	196,195	220,022	214,675	-5,347	-2.4
Contingency	0	108,630	118,946	10,316	9.5
Total	3,364,912	3,627,729	3,805,402	177,673	4.9

Comparatively, the operating costs from fiscal year 2013-14 to 2014-15 have remained constant. The 10.2% increase in general operating other is due to an increase in tourism related taxes (these are offsetting expenses to the revenues) and capital improvements. Prior year funds were used to fund non-recurring capital costs excluding computers and software. The increase in administrative costs was due to a cost adjustment in the garbage contract with Republic Services, increases in IT services (as new computers are added, IT service costs increase) and depreciation of the new generator for town hall. The majority of the police department budgetary increase was due to vehicle/equipment depreciation increases for equipment purchases in FY2013-14 (addition of 7th vehicle) and the contract with ocean ridge for security services. The fire department increases were due to vehicle/equipment depreciation increases related to the purchase of new vehicles (fire truck and Tahoe), purchase of medical supplies and

some salary adjustments for pay for performance. Public Works increased under the line item for parks and recreation to incorporate Bay Creek Park operating expenses.

Seventy-five percent (75%) of general fund expenses are directly related to operations and providing services to the citizens of Edisto Beach. The 22% labeled, general fund other, are offsetting accounts for Special Funds such as ATAX and Local Accommodations, have restricted uses, are not used for general operations and services and are not funded by property taxes but through tourism related services. Capital expenses were removed to more accurately depict tourism related offsetting expenses.



This year, no cost of living (COLA) increase was budgeted. A COLA will be readdressed after the tax roll is issued. Salary adjustments based on merit and various departmental pay for performance increases are included in the table below.

Department Salaries	FY 2013-14	FY 2014-15	Difference
Administration	126,000	127,500	1,500
Police Department	303,687	298,238	-5,449
Municipal Court	44,485	44,485	0
Fire Department	260,000	266,800	6,800
Public Works	92,125	92,125	0
Building Department	137,400	140,800	3,400
Total			6,251

This year a General Fund Capital Improvement plan was developed to track and use for budgetary planning purposes for replacement of equipment in the General Fund. General Fund vehicles and equipment are included. These items are listed in the following table:

General Fund Capital Improvement Plan

ITEM	PURCHASE DATE	PURCHASE COST	YEARS REPLACEMENT	ESTIMATED COST	REPLACEMENT YEAR	ANNUAL DEPREC.	FUND	DEPARTMENT
16' Hudson Trailer	06/15/1905	1,385	10	1,731	2002	0	GFVERF	Public Works
1994 John Deer 1070 Trac	06/16/1905	17,500	10	21,875	2003	0	GFVERF	Public Works
12' Utility Trailer	10/10/2002	1,054	5	1,317	2006	0	GFVERF	Public Works
John Deer Gator	10/05/2004	9,105	5	11,381.	2008	0	GFVERF	Public Works
2006 Fast Lane Dump Tr	Aug-06	6,360	5	7,950	2011	0	GFVERF	Public Works
2006 Gill Box Scraper	Aug-06	1,958	5	2,448	2011	0	GFVERF	Public Works
2008 Trailblazer	01/10/2008	19,390	5	24,238	2012	0	GFVERF	Administration
2006 F-150 Ford Truck	07/31/2006	22,368	7	27,960	2012	0	GFVERF	Building
Miller Built Trailer	06/30/1905	2,721	5	3,401	2012	0	GFVERF	Public Works
JD Sweeper Attachment	11/02/2007	7,088	6	8,860	2013	0	GFVERF	Public Works
Harper/Goossen Blower	09/21/2007	4,558	6	5,697	2013	0	GFVERF	Public Works
1995 Ford 1401	May-95	192,645	20	240,806	2014	12,040	GFVERF	Fire
2010 Polaris Ranger	01/08/2010	14,766	5	18,457	2014	3,691	GFVERF	Fire
2010 Dodge Charger 4S	01/18/2010	20,934	4	37,000	2014	9,135	GFVERF	Police
2010 Dodge Charger	08/25/2010	20,934	4	37,000	2014	8,262	GFVERF	Police
2010 Ford F-150	12/15/2010	17,379	5	21,723	2014	4,344	GFVERF	Public Works
2008 Onan Generator	2008	27,500	5	34,375	2015	6,875	GFVERF	Administration
Turn Out Gear	12/01/2006		10	3,600	2015	3,600	VFD	Fire
Turn Out Gear Extra	04/01/2006		10	3,600	2015	Retire	FD	Fire
2011 Dodge Charger	10/11/2011	29,705	4	37,131	2015	9,282	GFVERF	Police

2012 Dodge Charger	08/07/2012	23,960	4	37,000	2015	9,337	GFVERF	Police
2012 Dodge Charger	08/07/2012	19,969	4	37,000	2015	9,337	GFVERF	Police
Soft Body Armor	03/10/2010		5	1,400	2015	1,400	PD	Police
Soft Body Armor			5	1,400	2015	1,400	PD	Police
Soft Body Armor			5	1,400	2015	1,400	PD	Police
Soft Body Armor	09/01/2009		5	1,400	2015	1,400	PD	Police
Kubota Mower #F3080	07/07/2009	17,968	6	22,460	2015	3,743	GFVERF	Public Works
2010 John Deer Gator	05/01/2011	11,538	5	14,422	2015	2,884	GFVERF	Public Works
2010 Chevy HHR	02/16/2010	15,199	7	18,998	2016	2,714	GFVERF	Building
EUI1000 watt Honda Gen	02/09/2012	1,960	5	2,450	2016	490	GFVERF	Fire
Turn Out Gear	09/01/2007		10	3,600	2016	3,600	FD	Fire
Turn Out Gear	02/01/2007		10	3,600	2016	3,600	FD	Fire
UTV Polaris Ranger 800	04/01/2013	11,995	4	14,993	2016	3,748	GFVERF	Police
2014 Dodge Charger	09/03/2013	23,715	4	43,624	2016	10,906	GFVERF	Police
2014 Dodge Charger	09/03/2013	34,899	4	43,624	2016	10,906	GFVERF	Police
Soft Body Armor	07/23/2012	750	5	1,400	2016	1,400	PD	Police
Soft Body Armor	07/23/2012	750	5	1,400	2016	1,400	PD	Police
Soft Body Armor	07/23/2012	750	5	1,400	2016	1,400	PD	Police
2008 Ford Emergency	09/09/2008	87,151	10	108,938	2017	10,893	GFVERF	Fire
2013 Ford F150	09/03/2013	16,504	5	20,630	2017	4,126	GFVERF	Public Works
E1 Quint Ladder Truck	06/21/1905	367,000	20	458,750	2018	8,572	GFVERF	Fire
Turn Out Gear Extra	08/01/2009		10	3,600	2018	2,500	FD	Fire
SCBA	08/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	07/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	10/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	10/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	11/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	11/01/2004		15	2,500	2018	2,500	FD	Fire

SCBA	10/01/2004		15	2,500	2018	2,500	FD	Fire
SCBA	11/01/2004		15	2,500	2018	2,500	FD	Fire
2008 John Deer 5103S	07/11/2008	20,168	10	25,210	2018	2,521	GFVERF	Public Works
2008 John Deer Rot Cut	07/11/2008	2,076	10	2,595	2018	259	GFVERF	Public Works
John Deer 1435 Mower	08/06/2013	17,355	6	21,694	2018	3,615	GFVERF	Public Works
2014 Chevy Tahoe	03/01/2004	30,686	6	38,357	2019	6,392	GFVERF	Fire
SCBA	09/01/2005		15	2,500	2019	2,500	FD	Fire
SCBA	07/01/2005		15	2,500	2019	2,500	FD	Fire
SCBA	07/01/2005		15	2,500	2019	2,500	FD	Fire
SCBA	07/01/2005		15	2,500	2019	2,500	FD	Fire
2010 Model L39 Kubota	08/13/2010	34,700	10	43,375	2019	4,337	GFVERF	Public Works
2011 Honda Power Unit	11/14/2011	19,355	10	24,194	2020	2,419	GFVERF	Fire
SCBA	05/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	03/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	03/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	05/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	05/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	05/01/2006		15	2,500	2020	2,500	FD	Fire
SCBA	05/01/2006		15	2,500	2020	2,500	FD	Fire
JLG 450A Boom Lift	11/22/2011	19,814	10	24,767	2020	2,476	GFVERF	Public Works
2011 Kohler Generator	12/15/2011	36,220	10	45,276	2020	4,528	GFVERF	Administration
SCBA	07/01/2007		15	2,500	2021	2,500	FD	Fire
Turn Out Gear	01/01/2013		10	3,600	2022	3,600	FD	Fire
Turn Out Gear	08/01/2013		10	3,600	2022	3,600	FD	Fire
Turn Out Gear	03/01/2013		10	3,600	2022	3,600	FD	Fire
Turn Out Gear	03/01/2013		10	3,600	2022	3,600	FD	Fire
Turn Out Gear	05/01/2013		10	3,600	2022	3,600	FD	Fire
Turn Out Gear	02/01/2014		10	3,600	2023	3,600	FD	Fire

Turn Out Gear	02/01/2014		10	3,600	2023	3,600	FD	Fire
Turn Out Gear	01/01/2014		10	3,600	2023	3,600	FD	Fire
2006 Sutphen 1403	Jun-06	294,000	20	367,500	2025	18,375	GFVERF	Fire
Pumper Truck	03/25/2014	241,664	20	302,080	2028	15,104	GFVERF	Fire
2011 Unicus III BA Comp	11/10/2011	38,892	20	48,615	2030	2,430	GFVERF	Fire

General Fund Debt

Debt (General Fund)

General Statutes limit the amount of general obligation debt that a unit of government can issue up to the eight percent (8%) of the total assessed value of taxable property located within that government’s boundaries without a referendum. General obligation debt is defined as any indebtedness that is secured in whole or part by a pledge of property taxes. The Town may incur General Obligation debt over the eight percent (8%) limit when approved by a majority vote in a referendum as authorized by law. Based on the estimated total assessed value of \$52,006,130, the legal debt margin for the Town of Edisto Beach is \$4,160,490. The Town’s current General Obligation debt is \$0.

In FY 2007-08, a General Obligation Bond was issued for the Town of Edisto Beach for \$2,700,000 to purchase the Bell Buoy property. Maturity of the bond is April 1, 2037. Interest rates range from 4.3% due April 1, 2015; 4.5% due April 1, 2020; 5% due April 1, 2026; 4.8% due April 1, 2032 and 5% due April 1, 2037. The resulting interest at term is \$2,450,929. Because the General Obligation Bond was approved by referendum, it does not apply to the Town’s 8% debt limit.

The Standard and Poor’s Bond Rating for the Town was re-evaluated in 2012. The Town maintained an A+ rating while most other governmental agencies received a lower rating. The Town was recently re-evaluated using the new criteria and have not heard what the new rating will be. An A Rating on Standard and Poor’s means the Town has a strong capacity to meet financial commitments, but is somewhat susceptible to adverse economic conditions and changes in circumstances.

Special Fund

State Accommodations Fund

A two percent (2%) local accommodations tax on transient rental property (less than 90 days continuous rental) is imposed by the state and credited to the municipality in which it is collected as authorized by S.C. Code §12-36-2630 (3). The first \$25,000 goes to the General Fund. After this initial allocation, 65% goes to the ATAX 65% Fund, 30% goes to the ATAX 30% Fund and 5% goes to the general fund of the municipality. The ATAX 65% and ATAX 30% must be used for tourism-related activities. An advisory committee appointed by the Council is required to make recommendations if more than \$50,000 is received. The Town of Edisto Beach designated the Chamber of Commerce to manage and direct expenditures of the ATAX 30% according to an Ordinance of 7-11-1985. The ATAX 65% allocations are decided by the ATAX board and approved by Town Council. The fund balance is \$234,745. The projected income for FY 2014-15 ATAX 65% is \$217,000.

Budget Comparison	FY10-11	FY 11-12	FY 12-13*	FY13-14	FY14-15	% Change
ATAX General Fund	38,832	39,711	37,882	41,925	41,700	-0.5
ATAX 30% Fund	82,994	88,267	77,295	101,550	100,200	-1.3
ATAX 65% Fund	179,820	191,246	167,472	220,025	217,100	-1.3

*These figures are falsely low as some ATAX funds were incorrectly sent to someone other than Edisto Beach. This is being investigated by the Town Attorney.

Fiscal Year 2014-15 encumbered and special projects are listed below:

ATAX 65%	Project	Amount
Current Balance		234,745
Revenues FY 2014-15		217,100
PY Encumbered	Police Department Digital Cameras	(6,119)
PY Encumbered	Police Department Beach Patrol	(19,886)
PY Encumbered	Fire Department Wheelchair	(2,500)
PY Encumbered	Fire Department Wheelchair Storage	(5,500)
PY Encumbered	Fire Department Wheelchair parts locker	(1,057)
PY Encumbered	Chamber marketing	(7,002)
PY Encumbered	Music and Shag Fest	(5,500)
PY Encumbered	Police Department Bicycle Patrol	(1,588)
PY Encumbered	Rapid Marine Response	(53,434)
PY Encumbered	Bell Bond Debt	(50,000)
PY Encumbered	EIOLT Golf Tournament	(2,500)
Ending Balance		296,759

Alcohol Permit Fund

This is a special fund that can only be used for designated purposes. These funds are collected from temporary permits issued for the possession, consumption and sale of alcoholic liquors in 2 ounces or less. The fund balance is \$28,887. The projected income is \$12,000. Council decided in FY 2009-2010 through FY 2011-12 to place \$12,500 in a storm water fund to pay for future storm water projects.

Budget Comparison	FY10-11	FY 11-12	FY 12-13	FY13-14	FY14-15	% Change
Alcohol Permitting	21,050	14,850	11,050	13,500	12,000	-11

Fiscal Year FY2014-15 encumbered and special projects are listed below:

Alcohol Permitting	Project	Amount
Current Balance		28,887
Revenues FY 2014-15		12,000
PY Encumbered	Lee Street Ditch	(3,054)
Budget FY2014-15	Ditch Cleaning	(10,999)
Ending Balance		26,834

Local Accommodations Fund

The Local Accommodations Tax Act, effective July 1, 1997, authorizes, by positive majority vote imposing a cumulative maximum 3% accommodations tax in a municipality. The tax is levied on gross proceeds from rental or charges for accommodations furnished to transients (period of 30 days or less) as provided by S.C. Code §12-36-920(A). Revenue from the tax must be kept in a separate fund and used for specified tourism related purposes. The Town enacted the Local Accommodations tax ordinance 5-14-98. The fund balance is \$1,739,124 of which \$1,214,030 has been designated for future beach nourishment. The projected income for FY 2014-15 is \$330,000. Administration anticipates beach nourishment activities will utilize the majority of this funding source of the next two years.

Budget Comparison	FY10-11	FY 11-12	FY 12-13	FY13-14	FY14-15	% Change
Local Accommodations	283,162	311,261	325,905	337,121	330,000	-2

Fiscal Year 2014-15 encumbered and special appropriations are listed below:

Local Accommodations	Project	Amount
Current Balance		1,739,124
Revenues FY 2014-15		330,000
PY Encumbered	Beach Preservation (Bank)	(1,214,030)
PY Encumbered	Bell Bond Debt	(50,000)
PY Encumbered	Beach Preservation	(200,000)
PY Encumbered	Beach Monitoring	(76,069)
Budget FY2014-15	Beach Nourishment Permitting	(275,000)
Ending Balance		254,025

Council decided in FY 2009-2010 to earmark \$200,000 of these funds each year to go towards beach preservation. Council approved placing an additional \$400,000 in beach preservation for FY 2011-12. Although Council has the authority to utilize up to 50% of the Local Accommodations’ revenues, Administration has not had to utilize this funding mechanism to offset general fund expenditures.

Hospitality Fund

The Local Hospitality Tax Act, June 1, 1998, authorized by positive majority vote, imposed a cumulative maximum 2% hospitality tax in Edisto Beach. The tax is levied on gross proceeds from sales of prepared meals and beverages sold in establishments or sold in establishments licensed for on-premises consumption of alcoholic beverages, beer or wine. The revenue is kept in a separate fund and used for tourism related purposes. The Town collects these funds no later than the 20th of each month. (Ordinance 4-9-1998) The fund balance is \$422,366. The projected revenues for FY 2014-15 are \$165,000. Fifty percent of the revenues from hospitality taxes are transferred into the general fund for tourism related town services.

Budget Comparison	FY10-11	FY 11-12	FY 12-13	FY13-14	FY14-15	% Change
Hospitality	156,975	153,221	162,478	155,000	165,000	6.4

Fiscal Year 2014-15 encumbered and special appropriations are listed below:

Hospitality Fee	Project	Amount
Current Balance		422,366
Revenues FY 2014-15		165,000
PY Encumbered	Code Red	(10,000)
PY Encumbered	Beach Walkover repair	(9,150)
PY Encumbered	Bell Bond Debt	(25,000)
PY Encumbered	Sand Fencing	(5,504)
FY 2014-15	General Fund	(82,000)
Ending Balance		455,712

General Vehicle/Equipment Fund

A vehicle/equipment replacement schedule was established in 1998. Funds are annually dedicated to this fund to replace fixed assets. The fund balance is \$571,955. The projected revenue for FY 2014-15 is \$188,300.

Depreciation Schedule

<p>General Fund Vehicle/Equip Replacement Schedule</p>	
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General	11,403
Police	65,462
Fire	80,410
Bldg.	2,715
Public Works	28,310
Annual Total	188,300

Fiscal Year 2014-15 encumbered and special appropriations are listed below:

Vehicle Equipment Fund	Description	Amount
Current Balance		571,955
General Fund	Depreciation	11,403
Police Department	Depreciation	65,462
Fire Department	Depreciation	80,410
Building Department	Depreciation	2,715
Public Works	Depreciation	28,310
FY 2014-15	Replace 2006 Ford F150 1FTPX14V56KD98874 with a Chevrolet Silverado 4X4 (Building Department)	(31,638)
FY 2014-15	Replace 2010 Dodge Charger 2B3AA4CT2AH161527 with a Tahoe 4X4 (Police Department)	(46,000)
FY2014-15	Replace 2010 Dodge Charger 2B3ACT7AH161555 with same (per administrator approval only) (Police Department)	(37,000)
Ending Balance		645,617

Utility Vehicle/Equipment Fund

A utility vehicle/equipment replacement schedule was established in 1998. Funds are annually dedicated to this fund to replace fixed assets. The fund balance is \$496,621. The revenue for FY 2014-15 is \$43,605.

Depreciation Schedule

Utilities Vehicle/Equip Replacement	
Water Vehicle/Equip. Replacement Fund	21,145
Sewer Vehicle/Equip. Replacement Fund	22,460
Annual Total	43,605

The following are replacements or new equipment, scheduled to be purchased:

Vehicle Equipment Fund	Description	Amount
Current Balance		496,621
Water Fund	Depreciation	21,145
Sewer Fund	Depreciation	22,460
	Replace 2006 Chevrolet HD2500 IGCHK29U26E128833 with a 2015 Ford F-250 4x4	(34,244)
Ending Balance		505,982

Water System Renewal and Replacement Fund

This fund was established to replace and renovate items in the water system. The current fund balance is \$110,153. The projected revenue for FY 2014-15 is \$140,000. According to the latest

Capital Improvement Plan the water needs exceed the sewer needs. The Town continues to aggressively renew and replace failing infrastructure.

Water System R&R	Description	Amount
Current Balance		110,153
Revenues FY 2014-15		140,000
FY 2014-15	Jungle Shores Water Extension	(225,000)
Ending Balance		25,153

Sewer System Renewal and Replacement Fund

This fund was established to replace and renovate items in the sewer system. The current fund balance is \$255,579. The projected revenue for FY 2014-15 is \$50,000.

Sewer System R&R	Description	Amount
Current Balance		255,579
Revenues FY 2014-15		50,000
Grit Chamber	Separates solids in WWTP	(50,000)
Aerators	Wastewater lagoon	(20,000)
Lift Station Bay Point	Complete Rehab	(70,000)
Lift Station Pompano	Complete Rehab	(70,000)
B Generator		(15,000)
Ending Balance		80,579

Bay Creek Fund

This fund was established to account for General Obligation Bond funds designated for Bay Creek Park improvements. The funds in the Bay Creek Park Fund (\$191,589) are ATAX funds designated for capital improvements for the park. No funds from the original bond remain. All maintenance costs have been transferred to public works.

Bay Creek Fund	Description	Amount
Current Balance		191,589
Revenues FY 2014-15		0
PY Encumbered	Bay Creek Park Restrooms	(97,000)
PY Encumbered	Bay Creek Park Electrical	(80,000)
PY Encumbered	Bay Creek Park Stage Design	(14,000)
Ending Balance		589

Firefighter’s Insurance and Inspection Fund

In 1907, the S.C. General Assembly passed legislation creating the Firemen’s Insurance and Inspection Fund for “the betterment and maintenance of skilled and efficient fire departments within the county.” Commonly referred to as “1 percent money,” revenue for the Fund comes from a 1 percent tax assessed and collected on fire insurance premiums written in the state for buildings or structures for which taxes are collected.

Annually, the State Department of Insurance assesses, collects and accounts for this tax money. The state treasurer sends each county its portion of the funds. In turn, the county treasurers distribute the money to all fire departments based on total assessed value of the county that constitutes a fire department’s response or coverage area.

Fire departments must spend their 1 percent money in one of three approved categories: retirement and insurance, training and education, and recruitment and retention.

Fire department members, not management, determine how to spend the money within the three categories. Each fire department member, regardless of rank, has an equal vote. To approve a proposed expenditure, 51 percent of the entire fire department membership must vote to approve it. Expenditure requests must be accompanied by detailed information and support documents that provide evidence of eligibility.

Once the fire department members approve an expenditure exceeding \$100, they must submit evidence of the department's approval along with support documentation to both a local board of trustees as well as the supervising trustees of the South Carolina State Firemen's Association. All fire departments must maintain a local board of trustees for the Firemen's Insurance and Inspection Fund. State law dictates who serves on the board. (SC Code of Laws, Section 23-9-310)

This multi-step review ensures the proposed expenditure is eligible under one or more of the three approved expenditure categories. If the proposed expenditure meets the defined eligibility requirements, the local and state boards must approve the expenditure.

A municipal council cannot require the use of the 1 percent money to cover expenditures such as retirement, health insurance or training paid for other departments out of general operating funds. As trustees for the funds, the municipality must include the 1 percent money in its municipal audit as a special fund.

Once the local and state boards approve the expenditure, the county treasurer can release the funds to the department for the proposed purpose.

The fund balance is \$28,771.

Volunteer Firefighter Fund

For auditing purposes, the Volunteer Firefighters formed a committee and developed a budget for the volunteer firefighter fund. Revenues primarily come from special events, T-Shirt sales, vending sales, and donations. Expenditures are regulated by the Volunteer Department Bylaws and voted on by members of the Volunteer Fire Department.

The fund balance is \$28,969. As a quasi-department of the Town, Council must review and approve the annual budget submission.

Construction Fund

In 2012, the Town of Edisto Beach refinanced the Water and Sewer Revenue Bond and through this process, received \$429,084 in funding. After review of existing renewal and replacement funds, the construction fund was revised to maximize the utilization of these funds. Sewer projects were moved to renewal and replacement and water was budgeted under the construction funds. These funds must be expended this year and are shown as a line item in the appropriate budget.

Construction Fund

Sewer Capital Improvements	Estimated	Actual	Difference	Notes
Upgrade Control Panels				
Wastewater TX Plant	\$ 10,000.00	\$ 10,890.00	\$ (890.00)	
Waterfront	\$ 9,000.00	\$ 9,800.00	\$ (800.00)	
Aerators	\$ 12,000.00	\$ 12,582.98	\$ (582.98)	Aqua Aerobic
VFD Lift Station B	\$ 6,000.00	\$ 5,700.00	\$ 300.00	
<i>Subtotal</i>	\$ 37,000.00	\$ 38,972.98	\$ (1,972.98)	
Water Capital Improvements	Estimated	Actual/Budgeted		Notes
Point Street Upgrades	\$ 280,000.00	\$ 226,727.25 *	\$ 53,272.75	James F. Pederson (256,000)
6" and 8" valve replacements	\$ 53,234.84	\$ 104,000.00	\$ (50,765.16)	Budgeted
Jungle Shores Upgrades	\$ 59,000.00	\$ 19,850.00 *	\$ 39,150.00	
Upgrade Existing SCADA	\$ -	\$ 40,000.00		Budgeted
<i>Subtotal</i>	\$ 392,234.84	\$ 390,577.25	\$ 1,657.59	
Total	\$ 429,234.84	\$ 429,550.23	\$ (315.39)	
		*Actual denoted with asterisk		
Interest to date:	\$ 315.23	Jun-13		
Construction Fund	\$ 429,234.84			
Fund with Interest	\$ 429,550.07			

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the cost of providing goods or services to the general public and other local governments on a continuing basis will be financed and recovered primarily through user charges. Annual budgets are established for the water and sewer funds.

Water Fund

A water user fee finances the water operations. Fees are collected semiannually. The fee is based on increasing volumetric rates for increased consumption. This places the cost for the operation of the system on the high end user. The rate was increased in April 2014 by 5% to begin accruing funds sufficient to fund capital improvement projects on the water system as recommended by the rate study. The current rate is \$135.69 for the first 24,000 gallons of water. The second 24,000 gallons is charged at \$1.51 per 1,000 gallons. The third 24,000 gallons increases to \$1.69 per 1,000 gallons and after that each additional 1,000 gallons is \$1.89. Rates outside the Town limits begin at \$271.39 for the first 24,000 gallons. The state park rate is \$557.94 for the first 24,000 gallons.

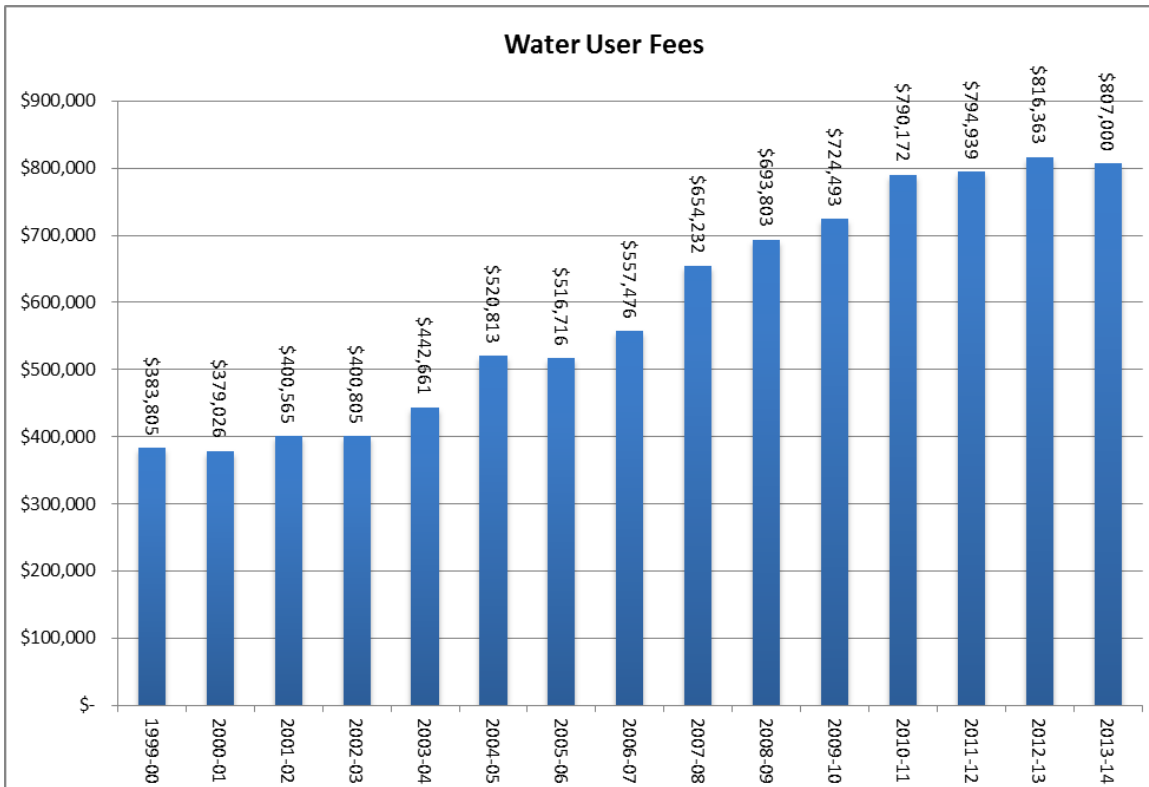
Water Fund revenues are listed in the following table:

Water Fund Revenues

Revenues	FY 2010-11 Actual	FY 2011/12 Actual	FY 2012/13 Actual	FY 2013/14 Budget	FY2014/15 Budget	Increase/ Decrease
Appropriated Prior Year	-	56,000	55,325	39,735	-	(39,735)
Transfer from R & R	198,740	-	-	-	-	-
Construction Fund	-	-	-	83,854	143,685	59,831
Water System User Fee	790,172	794,939	816,363	807,000	857,200	50,200
Tap in Fee	12,000	3,000	4,350	5,750	3,000	(2,750)
Reconnect Fee	2,448	1,800	2,110	2,000	2,000	-
Penalty	6,086	4,998	5,269	5,000	5,000	-
Interest Income	2,231	2,466	2,173	1,500	1,400	(100)
Bonded Interest Income	2	8	33	-	-	-
Miscellaneous Income	712	83	5,699	762	750	(12)
						-
Subtotal Water	1,012,391	863,294	891,322	945,601	1,013,035	67,434

The chart below depicts the historical progression of water user fees.

Water Fund User Fees



Based on historical trends and a relatively fixed number of commercial and residential accounts, the total revenue from user fees is projected at \$857,200 for FY2014-15. There is \$140,000 budgeted for transfer into R & R. On June 25, 2013, voters decided not to pursue financing a Reverse Osmosis/ASR system to improve water quality and water supply. The Water and Sewer Committee has recommended that the Council pursue a progressive design build bid to look at addressing the water supply and demand issues which was approved by Town Council.

The following table provides historical and current water fund operating budget information and % increases and decreases.

Water Fund Operating by Line Item						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
Salaries and Wages	156,090	164,098	160,326	182,000	181,530	(470)
Mayor/Council	2,880	2,880	2,880	2,880	2,880	-
Retirement System	14,635	15,579	17,188	20,000	19,900	(100)
Payroll Taxes	12,671	13,354	12,984	15,050	14,660	(390)
Deferred Comp Expense	195	190	198	210	247	37
Printing/Office Supplies	870	1,127	736	1,300	1,000	(300)
Janitorial Service	360	360	390	420	420	-
Postage	1,435	2,633	1,188	1,000	1,000	-
Membership dues	593	877	799	1,400	700	(700)
Meetings & training	3,052	2,382	3,859	5,000	4,000	(1,000)
Electricity	42,018	41,245	45,388	55,150	55,150	-
Telephone	11,116	3,303	4,292	5,000	4,500	(500)
Maintenance Contracts	1,534	1,311	774	2,300	2,300	-
VCR3	3,743	3,371	2,945	4,500	5,220	720
Prof Fees/Audit, Misc.	1,453	1,500	18,121	3,890	4,000	110
Custodian fees	-	1,616	1,000	1,625	1,625	-
Insurance General	14,430	14,168	13,245	15,000	16,706	1,706
Health Insurance Expense	28,351	18,076	18,948	24,561	25,425	864
Insurance Auto	2,545	2,114	1,641	2,000	1,400	(600)
Bank Charges	56	2,287	109	200	100	(100)

Town of Edisto Beach, South Carolina

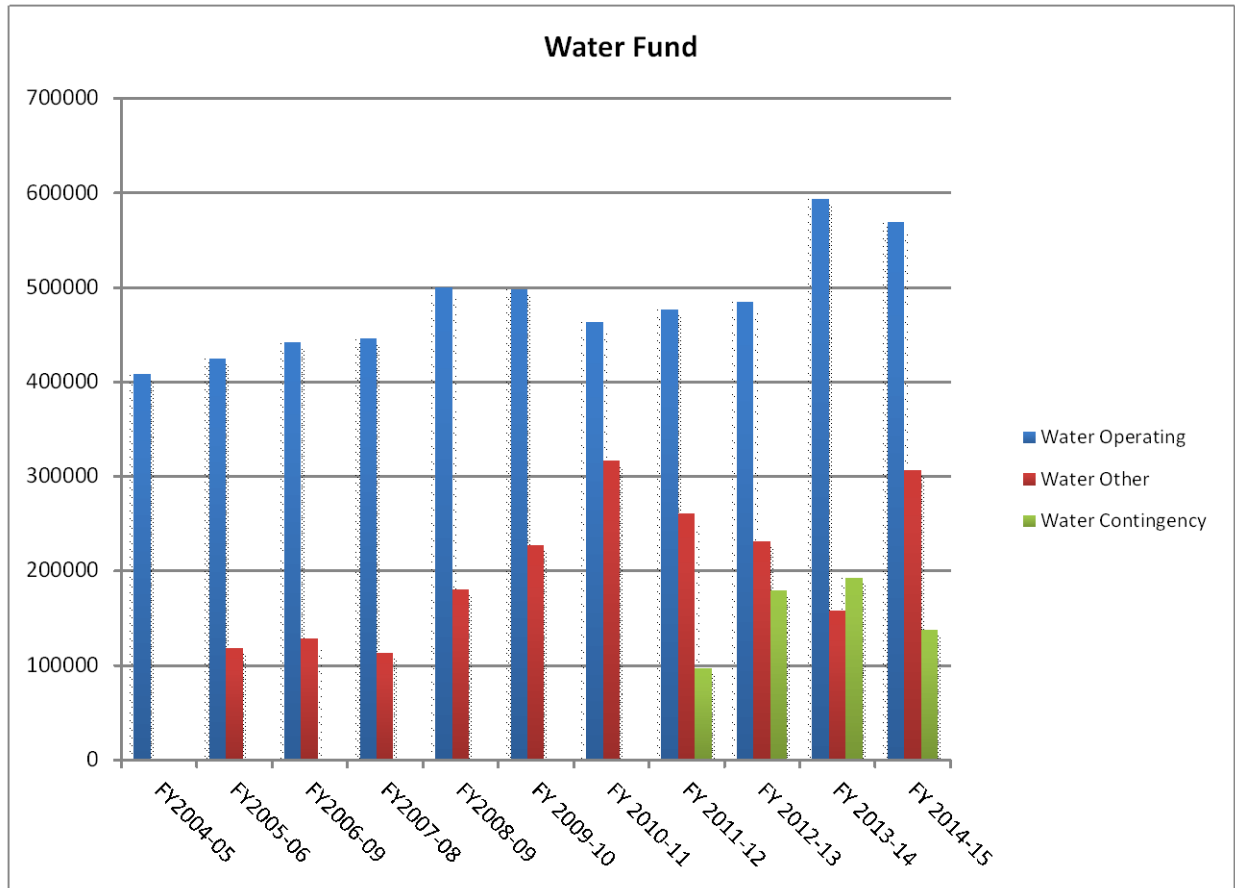
FY 2014-15 Budget

Miscellaneous Expense	413	517	86	500	500	-
Vehicle Gas & Oil	6,379	7,884	7,522	16,500	10,000	(6,500)
Vehicle Repair & Maintenance	396	1,194	2,857	2,000	1,500	(500)
DHEC User Fee	15,477	15,477	17,683	17,918	18,000	82
Uniforms	676	234	396	1,000	1,000	-
GWS Maintenance Agreement	16,005	16,540	17,765	17,766	17,800	34
System Repair Maintenance	15,672	26,600	16,319	25,000	20,000	(5,000)
System Supplies & Sm Tools	6,716	1,485	4,201	7,000	4,500	(2,500)
Meters & meter supplies	15,261	11,423	11,718	15,500	12,000	(3,500)
Chemicals	16,060	30,560	23,341	30,000	30,000	-
Lab Tests	2,478	3,232	3,323	4,500	3,500	(1,000)
Equipment Purchases	348	1,108	1,647	2,500	1,500	(1,000)
Equipment Repair	2,089	1,684	3,017	4,000	3,000	(1,000)
Pipe, Hydrants Connections	2,328	2,790	4,913	4,500	5,000	500
99 W.S. Rev Bond Principal	56,103	55,531	54,325	88,794	88,360	(434)
Office Machines/Software	628	709	540	800	800	-
Complex Building Maintenance	1,230	219	110	1,000	500	(500)
Pagers & Communication	1,926	2,422	2,353	2,900	2,500	(400)
Radio Purchase & Repair	-	-	-	500	500	-
Building Maintenance	2,146	1,215	1,404	3,500	1,000	(2,500)
Legal Fees	3,116	3,176	4,104	4,000	4,000	-
Subtotal	463,474	476,471	484,635	593,664	568,723	(24,941)

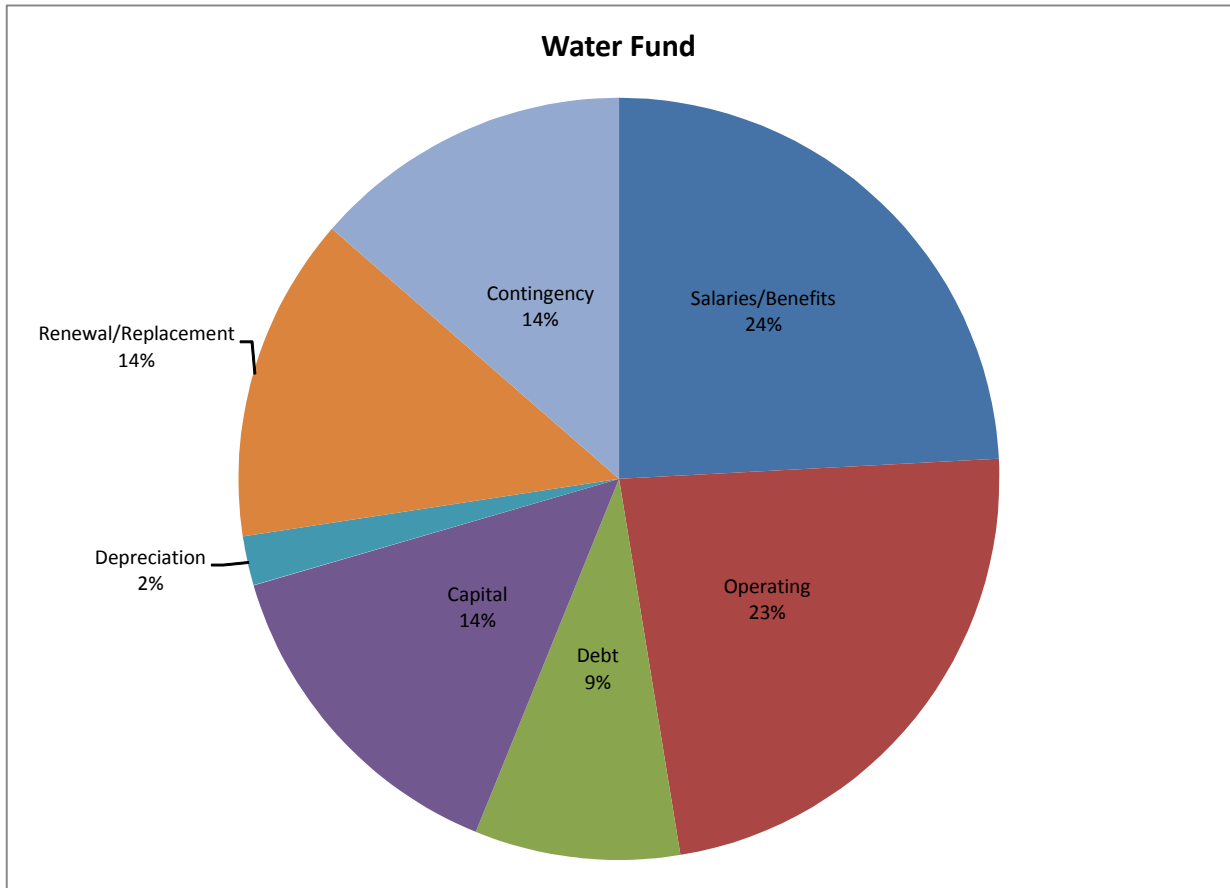
Water Department Other						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
Amortization Expense	6,342	7,733	10,504	-	-	-
Equip/Vehicle Depreciation	39,884	41,653	35,602	31,966	21,145	(10,821)
Depreciation Expense	108,836	117,654	117,086	97,380	-	(97,380)
Renewal/Replacement	113,794	65,792	65,792	-	140,000	140,000
Computer Hardware/Software	4,247	1,406	2,281	2,500	1,720	(780)
Construction Fund Expenses	-	-	-	-	143,685	143,685
CIP Miscellaneous	43,049	25,934	-	39,735	-	(39,735)
Subtotal	316,152	260,172	231,265	171,581	306,550	134,969
Water Contingency						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
	-	97,282	238,585	192,895	137,762	(55,133)
Subtotal	-	97,282	238,585	192,895	137,762	(55,133)
WATER FUND TOTAL	779,626	833,925	954,485	958,140	1,013,035	54,299

The following chart provides a historical snapshot of the water fund operating budget.

Water Fund Budget Comparison Chart



The chart below breaks the water fund budget information down into categories. Forty-seven percent of the total budget is directly spent on operations. Twenty-three percent of the total budget goes towards revenue bond debt.



Water Fund Budget Highlights

The water fund total budget is \$1,013,035. This includes contingency of \$137,762 and debt service of \$88,360 in principal and interest payments. Budget highlights are indicated in the table below.

Funding Source	Description	Amount
Water User Fees	½ Cost of 5% pay for performance for Utilities Clerk and pay for Performance for Utility operators	0
Construction Funds	SCADA	40,000
Construction Funds	Valve replacements	104,000
Water User Fees	Replace Computers	1,720
Utilities Equipment /Vehicle Replacement	Replace 2008 Chevrolet Truck with 2015 Ford F-250 4X4	17,122
Total		162,842

Accrued prior year funds are \$940,276.

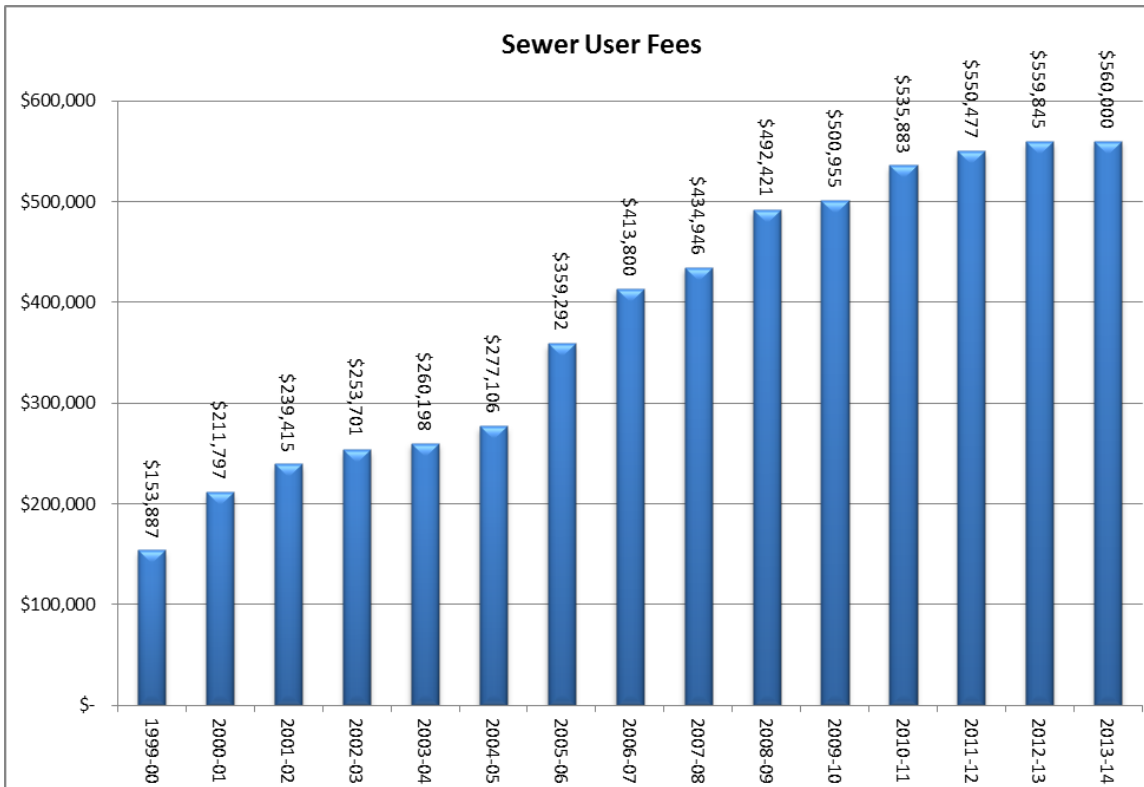
Sewer Fund

A sewer user fee finances the sewer operations. Fees are collected semiannually. The fee is based on a volumetric rate. The rate was increased by 5% in December 2011 and the current rate is \$198.45 for the first 6,000 gallons and each additional 1,000 gallons is \$3.31. Based on

historical trends and a relatively fixed number of commercial and residential accounts, this revenue source is projected at \$560,000 for FY 2014-15.

The graph below depicts the historical progression of sewer user fees.

Sewer Fund User Fees



The Sewer Fund total budget is \$591,300. This includes a contingency of \$87,753.

Accrued prior year funds are \$670,061.

The table below provides historical and current sewer fund operating budget information and % increase and decrease.

Sewer Fund Operating by Line Item						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
Overhead Costs						-
Salaries and Wages	156,091	164,098	160,327	182,000	181,530	(470)
Mayor/Council	2,880	2,880	2,880	2,880	2,880	-
Retirement system	14,634	15,578	17,187	20,000	19,900	(100)
Payroll Taxes	12,670	13,353	12,982	15,050	14,660	(390)
Deferred Comp Expense	195	190	198	210	247	37
Printing/Office Supplies	870	1,095	736	1,300	1,000	(300)
Janitorial Services	360	360	390	420	420	-
Postage	1,435	2,633	1,188	1,000	2,000	1,000
Membership dues	528	767	757	1,200	700	(500)
Meetings & training	2,365	764	3,542	5,725	4,000	(1,725)
Electricity	40,719	45,771	41,312	43,500	43,500	-
Telephone Expense	1,340	1,722	996	2,000	1,500	(500)
Maintenance Contracts	1,534	1,311	774	2,300	2,300	-
VCR3	3,743	3,371	2,945	4,500	5,220	720
Prof Fees/Audit, Misc.	1,453	1,500	5,558	1,660	2,000	340
Insurance General	17,777	16,645	14,795	16,145	18,945	2,800
Health Insurance Expense	28,350	18,075	18,947	24,561	25,415	854
Insurance Auto	2,545	2,114	1,641	2,000	1,500	(500)

Town of Edisto Beach, South Carolina

FY 2014-15 Budget

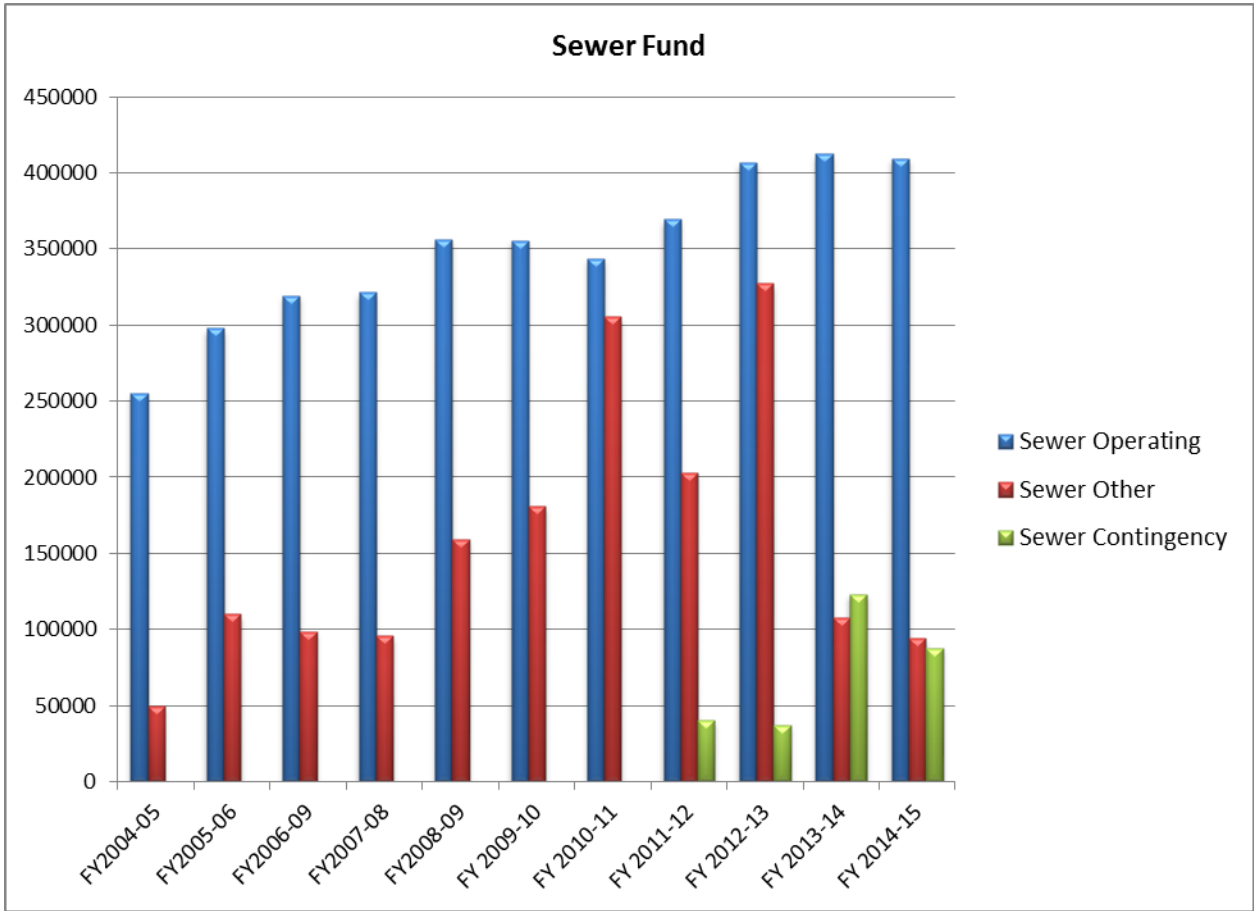
Bank Charges	62	-	15	100	100	-
Miscellaneous Expense	676	385	12	500	500	-
Vehicle Gas & Oil	6,379	8,571	8,311	17,050	17,050	-
Vehicle Repair & Maintenance	385	1,191	2,696	2,000	1,500	(500)
DHEC User Fee	1,065	1,190	1,128	1,200	1,200	-
Uniforms	676	234	396	1,000	1,000	-
System Repair Maintenance	17,314	29,188	12,988	16,000	18,000	2,000
System Supplies & Sm Tools	4,731	4,880	5,437	5,000	4,500	(500)
Chemicals	11,085	12,477	8,023	12,500	12,500	12,500
Lab Tests	3,645	6,540	6,639	9,500	9,500	-
Equipment Purchases	1,286	2,479	2,223	3,000	3,000	-
Equipment Repair	249	2,836	4,023	6,000	4,000	(2,000)
Office Machines/Software	628	709	540	800	800	-
Complex Building Maintenance	1,190	219	110	1,500	500	(1,000)
Pagers & Communication	1,642	2,121	1,601	2,500	2,500	-
Building Maintenance	38	1,134	1,391	3,500	1,000	(2,500)
Legal Fees	3,116	3,176	63,877	4,000	4,000	-
Subtotal	343,656	369,557	406,565	412,601	409,367	(3,234)

Sewer Department Other						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
Equip/Vehicle Depreciation	32,461	37,292	33,614	33,280	22,460	(10,820)
Depreciation Expense	72,225	70,663	69,023	56,283	-	(56,283)

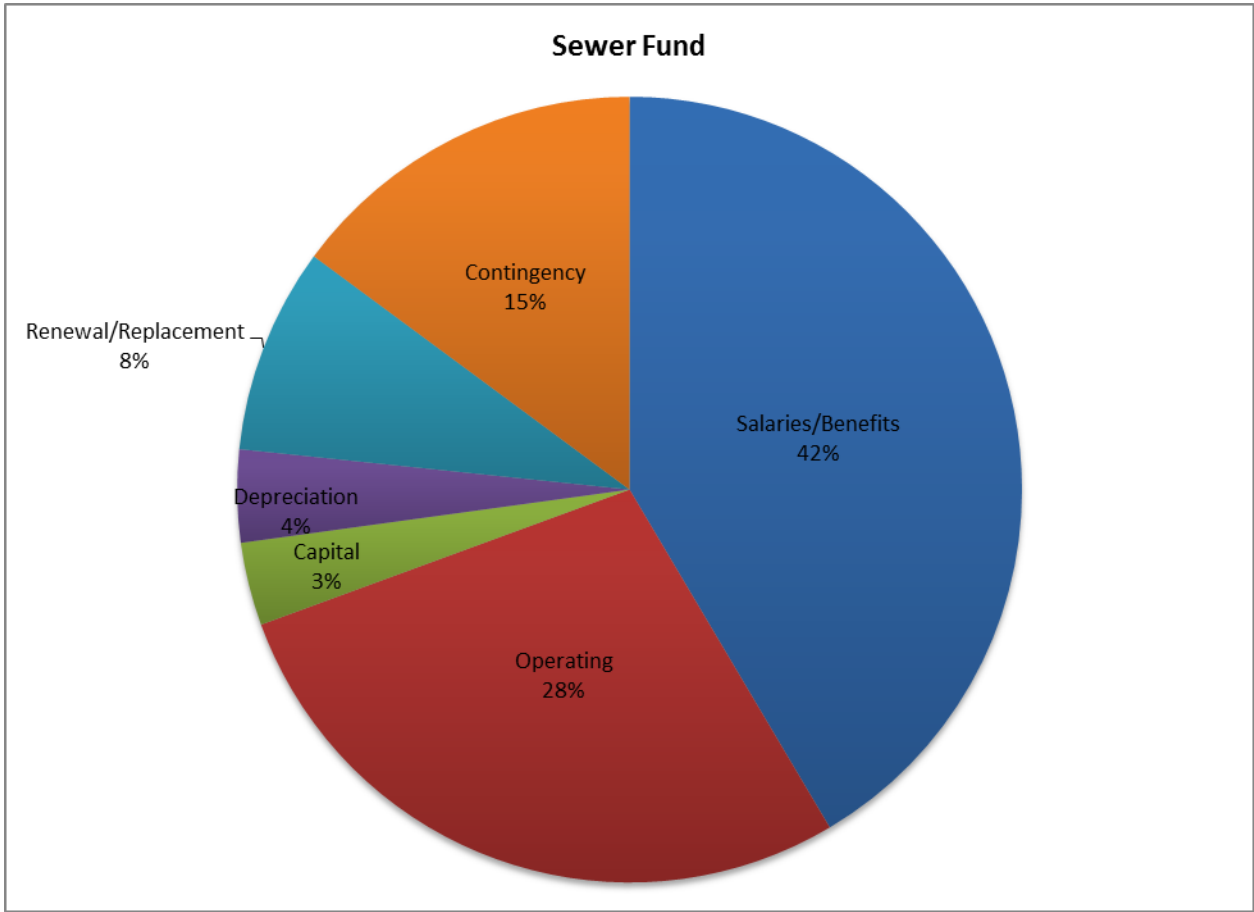
Renewal/Replacement	109,517	60,793	60,793	-	50,000	50,000
Computer Hardware/Software	2,558	1,406	2,281	2,500	1,720	(780)
CIP Misc.	88,809	32,561	161,751	39,735	20,000	(19,735)
Subtotal	305,570	202,715	327,462	163,888	94,180	(69,708)
Sewer Contingency						
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	Increase/ Decrease
	Actual	Actual	Actual	Budget	Budget	
	-	30,000	97,698	122,919	87,753	(35,166)
Subtotal	-	30,000	97,698	122,919	87,753	(35,166)
SEWER TOTAL FUND	649,226	602,272	831,725	699,408	591,300	(46,954)

The following chart provides a historical snapshot of the sewer fund operating budget.

Sewer Fund Budget Comparison Chart



The chart below breaks the sewer fund budget information down into categories. Seventy percent of the total budget is spent on operations.



The budget includes special projects or funding totaling \$591,300. Highlighted changes are listed below.

Sewer Fund Budget Highlights

Funding Source	Description	Amount
Sewer User Fees	½ cost of 5% pay for performance increase for Utilities Clerk and pay for performance for utility operators	0
PY Encumbered	Rehabilitate Lift Station C	20,000
Sewer User Fees	Replace computers	1,720
Utilities Equipment /Vehicle Replacement	Replace 2008 Chevrolet Truck with 2015 Ford F-250 4X4	17,122
Total		38,842

Sewer and Water Capital Improvement Plan

Projects identified during the year are input into a Capital Improvement Plan and this plan is reviewed and updated semi-annually. Projects that have been identified but have no funding are highlighted.

**Town of Edisto Beach Capital Improvement Plan (CIP)
Capital Project Expenditures Budget Estimates**

Sewer Capital Improvement Plan

Priority #	Item Description	Category	Estimate	Year	Comments
1	Summerwinds	Sewer	\$ 10,000.00	FY2010-11	Replace valves, electrical add transfer switch. Completed
2	WWTP Sludge Removal	Sewer	\$ 157,000.00	FY2012-13	Completed
3	GIS Sewer Lines and Assets	Sewer	\$ 20,000.00	FY 2015-16	Completed
4	Grit Chamber	Sewer	\$ 50,000.00	FY 2013-14	
5	Aerators	Sewer	\$ 15,000.00	FY 2014-15	Budgeted R&R
6	Lift Station Bay Point	Sewer	\$ 70,000.00	FY2014-15	Complete rehab. Repaired control panel in 2013 @\$415. Budgeted R&R
7	Lift Station Pompano	Sewer	\$ 70,000.00	FY2014-15	Complete rehab. Budgeted R&R
8	B Generator	Sewer	\$ 15,000.00	FY2014-15	Hook generator up to the B wet well. Generator is already available need to perform electrical, concrete pad, cover and transfer switch. Placed on hold. Replaced 2 VFD's at \$5,700. Budgeted R&R
9	Lift Station A	Sewer	\$ 70,000.00	FY2015-16	Complete rehab/new controls and generator and suction lines done
10	Lift Station Summerwinds	Sewer	\$ 59,000.00	FY2015-16	Complete rehab/Control panel done
11	Lift Station Ridge	Sewer	\$ 70,000.00	FY2016-17	Complete rehab
12	Lift Station Bay Creek	Sewer	\$ 70,000.00	FY2016-17	Complete rehab

13	Lift Station Docksie	Sewer	\$ 70,000.00	FY2017-18	Replaced control panel in 2012. Need to inspect manholes and wet well.
14	Lift Station Scott Creek	Sewer	\$ 70,000.00	FY2018-19	Replaced one pump @ \$3,664. Need to inspect manholes. Wet well ok.
15	Lift Station Lee Street	Sewer	\$ 70,000.00	FY2019-20	Complete rehab
16	Lift Station Cheehaw	Sewer	\$ 70,000.00	FY2020-21	Complete rehab
17	Lift Station Fat Jacks	Sewer	\$ 70,000.00	FY2021-22	Replaced control panel and both pumps in 2013(\$21,991). Need manhole inspections. Wet well ok.
Subtotal			\$ 1,031,000.00		

Water Capital Improvement Plan					
Priority #	CIP Item Description	Category	Estimate	Year	Comments
1	Edisto and Eddings	Water	\$ 15,000.00	FY 2010-11	Completed
2	Well 6	Water	\$ 3,500.00	FY2010-11	Completed
2	Wellfield	Water	\$ 3,500.00	FY2010-11	Completed
3	Point Street Water Lines	Water	\$ 226,727.00	FY2010-11	Completed
4	Shop Generator	W/S	\$7,500/\$7,500	FY2011-12	Completed
5	GIS Water Lines and Assets	Water	\$ 20,000.00	FY2012-13	Completed
6	Jungle Shores Water Lines	Water	\$ 225,000.00	FY2014-15	Replace 2" lines with 6" lines and add hydrants for fire protection. Engineering being performed \$19,850. Want to install pipe under road before the road is paved by DOT. Budgeted from R&R
7	Upgrade Existing or replace Scada	Water	\$ 40,000.00	FY2014-15	Cannot get replacement parts for current system. Installed in 2006. Budgeted under construction funds
8	Replace shut off valves	Water	\$ 104,000.00	FY2014-15	Check and replace non-functioning shut off valves 130 Valves @ 800. Budgeted in construction funds
9	Bay Point Water Lines	Water	\$ 60,000.00	FY2015-16	Replace 2" lines with 6" lines and add hydrants for fire protection
10	Fort Street Water Lines	Water	\$ 25,000.00	FY2015-16	Replace 2" lines with 6" lines and add hydrants for fire protection

11	New high capacity well	Water	\$ 1,500,000.00	TBD	To provide sufficient water supply
11	Automated Meter Reading	Water	\$ 600,000.00	TBD	
12	Reverse Osmosis	Water	\$ 8,300,000.00	TBD	To decrease Na, Cl, F
12	Replace Asbestos Water Lines	Water	\$ 500,000.00	TBD	Asbestos lines exist on Edisto Beach that need to be replaced as lines are repaired.
Subtotal			\$ 11,354,000.00		

Debt (Enterprise Fund)

Debt (Enterprise Fund)

The Town renegotiated the Town’s Revenue Refunding and Improvement Bonds, Series 1999, as interest rates were at an extremely low level. The Series 2012 bonds were negotiated for a 30-year term that closes in 2042. The amount of the Series 2012 bonds is \$1,675,000 with annual payments of \$88,794 and a principle payment of \$35,000 due every year until 2016. The net interest rate is 3.2%. Debt service funding in the amount of \$94,935.83 from the Series 1999 bonds was transferred into the Series 2012 to fund the new Debt Service Reserve Fund. The \$125,355 currently on deposit with US Bank, the trustee, will be used to pay future debt service. The cumulative savings of refunding the Series 1999 Bond is \$181,726.06. Edisto Beach received a net present value benefit of \$97,384.85 in the transaction. This transaction essentially reduced the Town of Edisto Beach’s debt by 8.813% on the Series 1999 Bonds. The cost of issuance was \$68,536.39 distributed as follows:

Series 2012 Bond Distributions	Description	Amount
US Bank	Trustee/Paying Agent Services	1,000
US Bank	Escrow Agent	350
US Bank	Custody Fee	350
Howell Linkous & Nettles, LLC	Bond Counsel Services	25,000
Howell Linkous & Nettles, LLC	Disclosure Counsel Services	12,500
Howell Linkous & Nettles, LLC	Expenses	500
Duffie Law Firm, PA	Town Attorney Services	7,500
Philip B. Seaton	Underwriter’s Counsel	5,000
S & P Financial Services, LLC	Rating Agency	10,000
Financial Press LLC	Electronic posting and printing	2,436.39
Alluvion Securities	CUSIP’s	400
Alluvion Securities	DTC	500
Alluvion Securities	Clearing Services	3,000
	Total	68,536.39

At closing, \$429,099 was transferred to Enterprise Bank as custodian for the Series 2012 Construction Fund and anticipated distributions are outlined in that section. Revenue debt must be payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license. It is not subject to the 8% debt limit. Revenue bonds may include water, sewer, waste disposal, natural gas, electrical generation and distribution, hospitals, piers, docks, terminals, airports, toll roads, markets, auditoriums and other publicly owned enterprises. The construction fund capital improvement plan is highlighted in pages 53-54.

Budget Highlights

General Fund	3,805,402
Water Fund	1,013,035
Sewer Fund	591,300
Total	5,409,737

Some factors impacting the budget are:

General Fund Revenues:

- The Town's total millage rate is increased to 20.23 mils.

General Fund Expenditures:

- A 2% cost of living increase was not included, but will be readdressed after the tax roll is finalized.
- Four positions were left unfilled in the Fire Department and are being filled by part-time firefighters.

General Fund Service Changes	Amount	Account
3% Pay for Performance Municipal Clerk	873.94	4100.1010
3% Pay for Performance Finance Clerk	1,431.77	4100.1010
Insurance General added \$1,000,000 business interruption insurance	2,580	4100.3360
Vehicle Repair & Maintenance GPS vehicles	10,000	4100.3450
Computer Hardware/Software 5 computers	14,000	4100.6310
Capital Improvements	138,050	4110.6500
PD-Equip/Vehicle Depreciation (added vehicle)	7,746	4200.3450
PD-Pagers/communications (cameras, laptops)	2,709	4200.9080
PD-Ocean Ridge Security	36,247	4200.9240
FD Salary Adjustments (Increase FT to \$34,000, 5% pay for performance Fire Inspector I, 1 PT to 1 FT)	6,800	4400.1010
FD small tools and supplies (medical supplies)	2,000	4400.3500
PW-Parks and Recreation (incorporated bay creek costs)	13,772	4700.9070
Building Salary Adjustments (3% pay for performance building official, pay for performance codes enforcement officer)	3,400	4800.1010

Prior Year Funds	Amount
Police Dept. Digital Vehicle Repeaters	31,150
Fire Dept. Digital Vehicle Repeaters	9,000
Web Site Updates	10,000
Update Street Signs (Unfunded federal mandate)	7,000
Jungle Road Park Swings	1,200
Replace Rotted Wood Bay Creek Park Building	4,000
Bay Creek Park Stage	50,000
Complete Document Storage Project	6,000
PD-1 AED for duty patrol car (moved car to car)	1,500
FD-Replace 2 SCBA \$2,500 each	5,000

Town of Edisto Beach, South Carolina

FY 2014-15 Budget

FD-Replace K-12 Chain Saw	1,450
FD-Replace PPV Fan	2,270
Christmas Tree (20 Ft)	5,000
Bonus Checks for part time firefighters (1/15 approval)	4,480
Total	138,050

Fund Contingencies

General Fund	118,946
Water Fund	137,762
Sewer Fund	87,753

Accrued Prior Year Funds

General Fund	2,760,873
Water Fund	940,276
Sewer Fund	670,061

General Fund & Special Appropriations:

Item	Amount	Fund
PD Digital Cameras	6,119	ATAX 65% PY
PD Beach Patrol	19,886	ATAX 65% PY
FD Wheelchair Maintenance	2,500	ATAX 65% PY
FD Wheelchair Storage	5,500	ATAX 65% PY
FD Wheelchair Parts Locker	1,057	ATAX 65% PY
Chamber Marketing	7,002	ATAX 65% PY
Music and Shag	5,500	ATAX 65% PY
PD Bicycle	1588	ATAX 65% PY
Rapid Marine Response	53,434	ATAX 65% PY
EIOLT Golf Tournament	2,500	ATAX 65% PY
Bay Creek Park Restrooms	97,000	ATAX 65% PY to Bay Creek Fund
Bay Creek Park Stage	14,000	ATAX 65% PY to Bay Creek Fund
Bay Creek Park Electrical	80,000	ATAX 65% PY to Bay Creek Fund
Bell Bond Debt	175,000	Local Acc. Fund \$50,000 ATAX PY Encumbered \$50,000 Hospitality Funds \$25,000 General Fund \$50,000
Lee Street Ditch	3,054	Alcohol PY
Ditch Cleaning	10,999	Alcohol PY
Beach Preservation (Bank)	1,214,030	Local Accommodation PY
Beach Preservation	200,000	Local Accommodations
CSE Beach Monitoring	76,069	Local Accommodations PY
CSE Beach Nourishment Permitting	275,000	Local Accommodations PY
Code Red	10,000	Hospitality PY
Beach Walkover repair	9,150	Hospitality PY
Sand Fencing	5,504	Hospitality PY
General Fund (Tourism Related)	82,000	Hospitality
Bldg. Dept. Chevrolet Silverado 4X4	31,638	Vehicle/Equipment Replacement
PD Tahoe 4X4	46,000	Vehicle/Equipment Replacement
PD Dodge	37,000	Vehicle/Equipment Replacement

Water Fund

1. The water rates were increased in April 2014 by 5%.

Sewer Fund

1. The sewer rates were not increased.

Water and Sewer Fund Capital Improvements, New Services, Other

Project	Amount	Funding Source
½ Cost of pay for performance	0	Water User Fees
	0	Sewer User Fees
Rehabilitate Lift Station C	20,000	Sewer PY
Ford F 250	34244	Utility Vehicle Equipment Replacement
Computers	1,720	Water User Fees
	1,720	Sewer User Fees
Valve Replacements	104,000	Construction Fund
SCADA	40,000	Construction Fund
Jungle Shores Water Line Extension	225,000	Water R & R
Grit Chamber	50,000	Sewer R & R PY
Aerators	20,000	Sewer R & R
Bay Point Lift Station	70,000	Sewer R & R
Pompano Lift Station	70,000	Sewer R & R
Lift Station B Generator	15,000	Sewer R & R

I am grateful to be involved in preserving Edisto Beach and maintaining its low country charm and noncommercial atmosphere. I would like to thank the Council, staff and citizens for their support and contributions as we plan for our Town’s future.

Sincerely,

Iris Hill
Town Administrator