

TOWN OF EDISTO BEACH Annual Budget 2015-16



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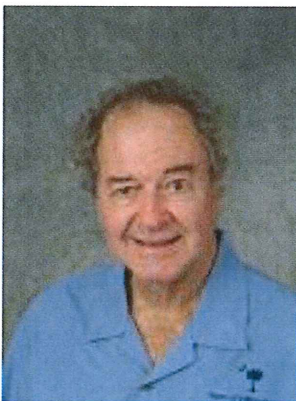
Town of Edisto Beach, South Carolina

Mayor



Jane S. Darby

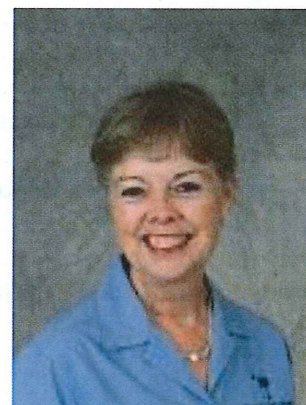
Town Council



Council
Pete Anderson

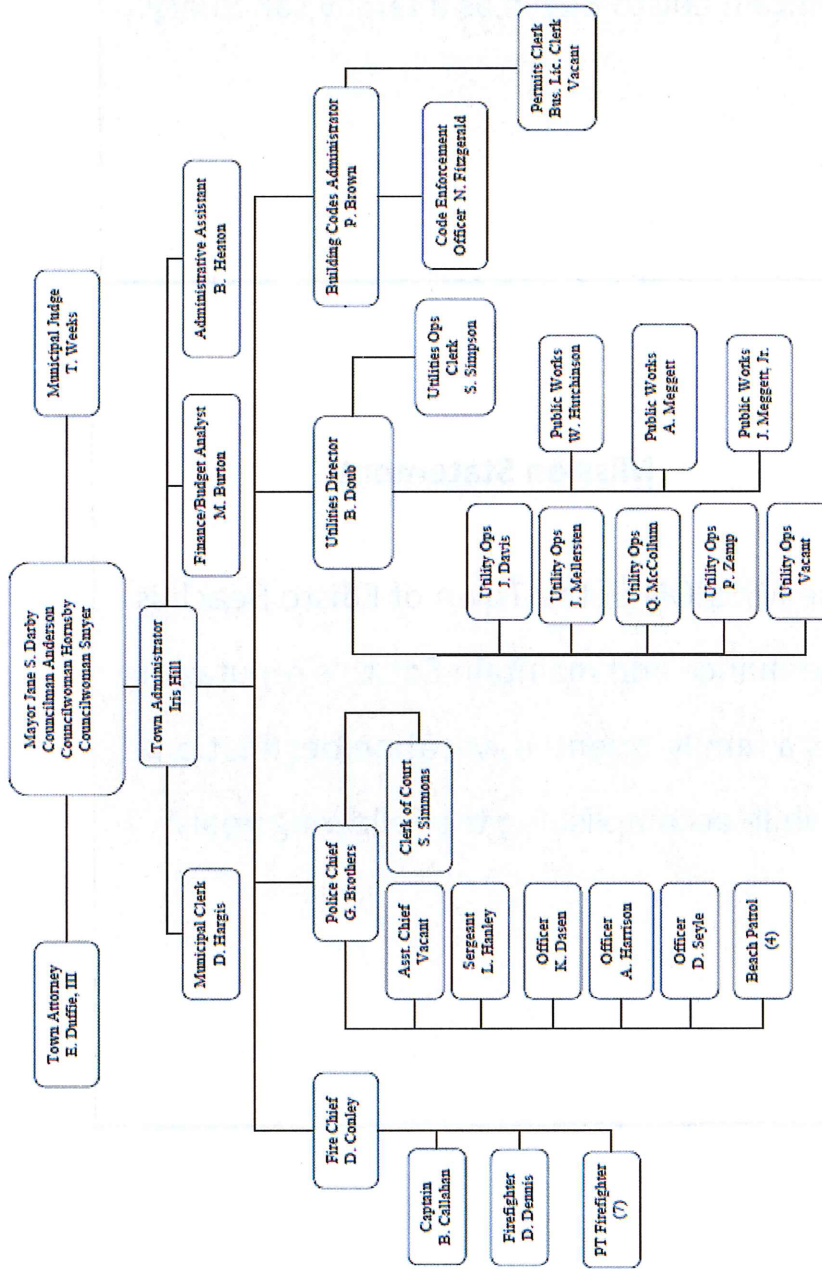


Council
Susan Hornsby



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:



Requested approval from DHEC for selection process	Administration	02/24/2015	Completed
On site visit for 2015-01	Utilities Dir./Adm	02/25/2015	Completed
RFQ due	Administration	03/17/2015	Completed
Interview of applicants	W/S Selection	04/02/2015	Completed
Execute contract	Council	04/09/2015	Asked Council to approve top ranked firm Wharton Smith
Meeting with Finance team	Administration	05/06/2015	
Joint meeting with selected firm, Council and internal consultants	Firm/Council	06/01/2015	TBD
Firm Develops project execution plan	Firm		
Develop Preliminary engineering information	Firm		
Provide a matrix of water system improvement options	Firm		
Matrix options selected	Council		
Provide matrix to phase project	Firm		
Perform engineering studies	Firm		
Produce Preliminary Engineering report (PER)	Firm		
Develop the engineering design documents for preparation of	Firm		
Submit and negotiate a GMP proposal to complete Phase 2 ser	Firm		
Phase 2 services	Firm		

Flood Insurance (Biggert-Waters Legislation)			
Action Plan	Mayor Pro Tem Darby Who	Date	Action Taken
Keep public and Council updated on legislation	Adm		ongoing
Join newly established GNO non profit organization	Adm		Completed
Executive Order 11988	Adm	01/30/2015	Completed
Sent update to Council	Adm	02/24/2015	Completed
Resolution opposing EO 11988	Council	03/12/2015	Completed and submitted to FEMA

State Priorities (Government restructuring, personnel, staff salary)			
Action Plan	Mayor Pro Tem Darby Who	Date	Action Taken
Administration			
Implement movies/music in the park	Adm/Building	on hold	Cost approx \$3,000 for equipment/\$350-\$450 per movie

Rezone Town property to PB	Adm/Building	06/11/2015	
Budget for Stage Bay Creek Park	Adm	06/11/2015	Cost is approx \$133,000
Implement Citizen Complaint Standardization	Adm	03/09/2015	Completed
Update Personnel Manual (5 year)	Adm	06/11/2015	
Compensation Analysis all Departments	Adm	06/01/2015	
Fire Department			
Request additional FT for 3rd shift remove 2 Part time	FD	04/14/2015	Completed
Designate future site of Fire Department	FD	04/14/2015	Completed
Council direction regarding pay for VFD that are on duty in an Council		06/01/2015	
Police Department			
Golf Cart Procedures	Council	06/01/2015	
Beach Patrol Code Enforcement Policies	Council	02/19/2015	Patrol Council directed staff to allow PD to enforce codes not Beach
Beach Patrol Budget	Adm/Council	04/14/2015	Absorb budget for beach patrol
Beach Patrol vehicle	PD/Council	06/01/2015	look at beach patrol vehicle options-review bike usage
Beach patrol/Code Enforcement	Adm	03/15/2015	Need to provide additional training with PR/purchase cups/Adm involve in hiring/try to use PD for citation
Building Department			
Standardize Building permit process	Blgd.		in progress
Council review of PC revisions	Council	02/13/2015	Completed
Zoning Revisions	Council	04/09/2015	
ICC Conference Budget	Blgd/Council	06/01/2015	TBD
Utilities Department			
Replace Aeration System	UD	06/01/2015	Budget in CIP
Review rates	Adm	06/01/2015	TBD prior to budget submission
Chamber			
Civic Center Lease	Chamber/Council	06/01/2015	
Discuss Chamber involvement with Fill the Bucket	Council		Ongoing

Councilwoman Hornsby			
Action Plan	Who	Date	Action Taken
Garbage			
Garbage Cans left out	Adm	02/25/2014	Completed
Yard Waste	Committee	06/05/2014	1st meeting of garbage committee
Mayor established garbage committee to address	Committee	06/12/2014	
Provide update to Council	Adm	11/24/2014	\$6.00 can for every other week service
Received quote for recycling from Republic	Council	03/14/2015	Place on bid for garbage contract
Request Council input on implementing curbside recycling	Committee	02/10/2015	Bids Received
Pull in containers service bids	Staff	02/23/2015	Completed
Interviews with prospective vendors	Staff	02/27/2015	
Recommendation to Garbage Committee	Committee/Council	03/14/2015	Deferred
Recommendation to Council	Committee/Council	04/09/2015	Lyons Contracting to begin June 1, 2015
Recommendation to Council	Staff	04/20/2015	Mailed with Opt out form and have stickers
Letter to citizens about ordinance revision			
Quality of Life			
Sidewalks and paving	TIDE/Council	04/29/2014	paving completed/Sidewalks scheduled November 2015
Causeway Beautification	TIDE/Adm	03/04/2015	Tide Committee to recommend landscape architects
Met with Bob Ables Landscaper		04/14/2015	He is giving us a quote
Environmental Issues			
Scott Creek	Council		
Drainage/stormwater			
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		Ongoing
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/Cou	Council	TBD	Completed
Lobby in Columbia for issues important to Edisto Beach	Council	TBD	January through June
Target subcommittees and send emails, letters on issues	Council	TBD	Ongoing
Town asked to host Legislative Delegation at Edisto 2014	Council	TBD	
Legislative Initiatives	Administration	08/29/2014	Completed
Develop List of Residents and where they reside for lobbying p	Administration	01/24/2015	Completed
Meet with Sanford and Graham about fed funding	Administration	TBD	
Mayor appt Councilpersons Darby and Smyer and Town	Adm/Council	11/13/2014	Developing strategy
Administrator to work on beach nourishment funding	Council	TBD	information has been provided waiting on draft resolution
Lobby against EO 11988 Flood Protection	Council	02/12/2015	Completed-Successful in removing 3 co-sponsors
Lobby against H3490 Business Licenses	Council	03/12/2015	Submitted to FEMA
Passed Resolution against EO 11988 Flood Protection	Council	03/12/2015	Submitted to House Agriculture committee
Passed Resolution against H3378 Beach Preservation Act	Council	04/09/2015	
Passed Proclamation Zero Tolerance for Litter	Council	04/09/2015	Submitted to House Ways and Means
Passed Resolution against H3490 Business Licenses	Council/Town Adm	05/05/2015	
Visit Senators about beach nourishment	Council	05/06/2015	
Council visit from Secretary Oakley			

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

2014-15

- Passed Proclamation claiming September 28 as 50th anniversary of Edisto Beach Baptist Church
- Passed and rescinded Moratorium on sewer taps into the Scott Creek/Docksite Sewer System
- Implemented "Fill the Bucket" beach nourishment campaign
- Established policy dealing with lost pets until a permanent solution is found
- Participated in Regional Advocacy Meetings and distributed legislative agenda
- Met with Department of Transportation Secretary Janet Oakley
- Capital Project Sales Tax referendum was successful. \$4,000,000 will go to fund beach nourishment
- Adopted Fiscal Year 2015-16 budget ordinance and calendar
- Established garbage committee
- Met with the State Senate Finance Committee to discuss beach nourishment funding
- Lobbied against H3490 and H3378
- Disbanded Garbage Committee
- Amended FY2014-15 Budget
- Passed Resolution No. 2015-R05 opposing Executive Order 11988
- Increased Sewer rate to fund replacement and recovery

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

- Passed Resolution No. 2015-R06 opposing H 3378 to Amend Section 48-39-130 of the SC Code of Laws
- Passed Ordinance No. 2015-07 to Amend Sections 66-78(b), 66-78(c), 66-78 (d) and Section 66-9 of the Town's Code Related to Solid Waste Management

- Passed Work Authorization No. 5 with URS for the Hydraulic Evaluation for the Edisto Beach Wastewater Collection System at a cost not to exceed \$15,720
- Passed Resolution 2015-R08 designating April 2015 as Fair Housing Month
- Entered into an agreement with Colleton County for the Civic Center and approved Civic Center Guidelines and Fees
- Passed Resolution 2015-R10 Opposing H3490, a House Bill to Cap Business License Fees
- Awarded RFQ 2015-02 Town of Edisto Beach Water System Improvement Project to Wharton Smith to design water capacity and quality improvements
- Passed Proclamation 2015-P11 Claiming April 2015 as Zero Tolerance of Litter Month
- Took action on Zoning Ordinance Re-write

Management Actions

- Participated in the Great American Shakeout (earthquake training)
- Conducted Hurricane Preparedness Presentation to the public
- Worked with DOT to have signage removed from the causeway
- Surveyed causeway high water line for OCRM and had survey recorded
- Installed GPS in all vehicles
- Issued RFP for water SCADA system
- Issued RFP for water valve replacement
- Issued RFP for cross lines for Jungle Shores Water Extension project
- Met with homeowner's associations to discuss impacts of Capital Project Sales Tax Referendum
- Mailed notices to water customers about irrigation and garbage changes

- Improved Standard and Poors general obligation bond rating from an A+ to an AA+
- Staff appointed to the Board of the newly established South Carolina Beach Advocates Organization
- Issued RFQ for Water capacity and quality improvement
- Negotiated agreement with Chamber to lease space a civic center
- Assumed management of Civic Center

Accomplishments

2014-15

Town Services Focus

- Developed a solution to acquire sponsorships for festivals and raised \$14,000 instead of using tourism funds earmarked for beach nourishment
- Submitted festivals and events for publication in North Carolina and South Carolina Festivals magazine
- Standardized the handling of complaints and developed a form for said complaints
- Upgraded website
- Sent out "save the date" for Edisto Beach events to legislators and stakeholders

Infrastructure and facilities Focus

- Filled and graded low spots on Pompano
- Worked with Republic to improve signage on containers and revised garbage container signs
- Installed new grit chamber on wastewater treatment plant
- Replaced 5 aerators in wastewater lagoon
- Replaced air conditioner, variable frequency drive control panel at well-field
- Replaced a 4.7 hp pump at Bay Creek Lift Station
- Installed new street signs on Palmetto, Jungle, Lybrand and Docksite

- Replaced 6 inch and 8 inch water valves using construction funds
- Permitted Jungle Shores Water expansion project and began construction
- Replaced Impellers on Lift Stations A and B with hardened impellers
- Used Ground Penetrating Radar to look for air relief valves for Lift Stations A and B
- Installed air relief valves at Lift Stations A and B
- Worked with DOT to have streets resurfaced
- Worked with DOT to have sidewalks replaced

Strategic Plan and Development Focus

- Received a special exception from the Colleton County Zoning Board to locate retail at the civic center
- Developed Capital Improvement Plans
- Collated all utility billing information and recorded property owners state and federal legislators to provide information in lobbying efforts
- Met with Governor's Cup Board of Directors

Health/Safety/Welfare Focus

- Worked with DOT to have "cross traffic does not stop" signs installed at Myrtle/Holmes and Myrtle/Murray
- Reviewed the State Hurricane, Emergency Operations Plan and other emergency related plans to ensure compatibility with Town's plan
- Renewed Intergovernmental agreements for fire and police
- Two employees graduated from the Risk Management Institute
- Participated in agility recovery, a web based system that enables Town to obtain needed equipment and maintain data during an emergency
- Emergency response staff trained in Ebola Preparedness
- Insurance Services Office re-evaluation decreased ratings from a 4/9Y to a 3/3X

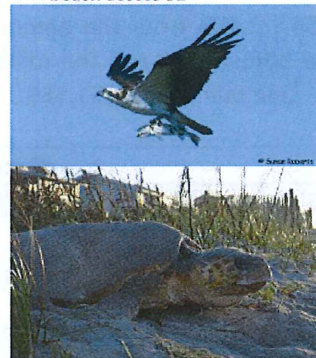
- Police Department was awarded 2014 Outstanding South Carolina Safe Traffic Safe Community award from AAA
- Obtained water recreation funding for a "drive on" dock at Bay Creek park to increase rescue boat response time and permitted same

Governance Focus

- Department Heads represented the Town by participating on numerous Boards and committees of professional associations
- Participated in lobbying efforts regarding Biggert Waters Legislation
- Standardized business licensing practices for Edisto Beach
- Produced employee benefits brochures
- Building Department was evaluated by ISO and received a Classification 4 for 1 and 2 single family residential and Classification 3 for commercial and industrial

Parks & Recreation Focus

- Upgraded electricity at Bay Creek Park
- Designed stage
- Improved ventilation in the Bay Creek park restrooms
- Permitted beach nourishment and groin extensions
- Replaced boards and painted Heritage Building
- Added ADA compliant ramp at beach access 32





July 1, 2015

The Honorable Jane S. Darby
 Members of the Town Council
 Town of Edisto Beach
 2414 Murray Street
 Edisto Beach, South Carolina 29438

RE: Budget Transmittal Letter

Dear Mayor 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 2015-16 operating budget for the Town of Edisto Beach. Carefully planned expenditures over several years have enabled the Town to accommodate 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 (body cameras) or legislative initiatives that imply we continue to proceed with caution in the future.

The budget for all funds is \$5,541,480 including a General Fund budget of \$3,901,730. This represents an overall budgetary decrease of \$47,762 (-0.85%) and a General Fund decrease of \$82,054 (-2.1%) from the amended FY FY2014-15 operating budget. The budget includes no millage adjustment and the millage cap has been banked for future use. The millage remains 20.23. One mill equals \$51,489.

	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 Actual	\$3,625,683	\$821,513	\$575,326	\$5,022,522
FY 2014-15 Amended	\$3,983,784	\$1,013,985	\$591,473	\$5,589,242
FY 2015-16 Proposed	\$3,901,730	\$1,020,450	\$619,300	\$5,541,480

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 February 2015, the Council held a planning retreat to set goals to guide Town Services. These goals and action plans are listed on pages 8-12. Other goals, not listed as the top five priorities for the Town are incorporated into Departmental Strategic Plans which are updated annually.

Short Term Factors and Budget Guidelines

The objectives of this budget are to preserve the current level of services with 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 pricing levels are expected to increase approximately 1.62 percent. The five-year financial forecast projected expenditures to exceed revenues in both fiscal years 2014-15 and 2015-16, departments were asked to maintain expenditures at prior funding levels or attempt to reduce their operating costs where possible.
- ❖ **Flat property tax revenues.** Property taxes remain flat. New growth continues, but at 20.23 mils it does not provide much relief.
- ❖ **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. Merit increases and cost of living increases will be evaluated after the tax roll has been certified, typically during the six-month budget adjustment. The Town is finding it more difficult to recruit and retain qualified employees under the current salary conditions.
- ❖ **Employee benefits.** The South Carolina Retirement employer contribution rates increased from 10.9 to 11.06% in the SCRS and 12.64% to 13.21% in the PORS. These adjustments are being made by the state to mitigate unfunded retirement benefits. Health insurance is expected to increase also.
- ❖ **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, 2015, will include an unfunded pension liability that may impact future bond ratings.
- ❖ **Beach Nourishment.** Beach nourishment for 2016 is on schedule and the Town has reserved its tourism funds for this project. Colleton County will provide \$4,000,000 towards this project from the Capital Project Sales Tax. Council has met with Senate and House members to discuss financing in 2017.
- ❖ **Water Supply, Demand and Quality.** Council has entered into an agreement with a group of firms to provide solutions to the water capacity and quality issues on Edisto Beach. Funding for improvements need to be addressed. Council will need to determine whether to finance improvements with revenue bonds or general obligation bonds. Revenue bonds are typically not tax deductible and general obligation bonds are, if applied to municipal operational debt.

- ❖ **Continuity of Operations.** Several Departments have staff that will be retiring within the next couple of years. To maintain continuity of operations, staff need to be trained to replace these employees.
- ❖ **Productivity.** As the Town offers additional services and amenities such as, causeway beautification, civic center, Bay Creek Park, etc. current staffing levels are being stretched thin and additional employees will need to be hired to assume some of these responsibilities.
- ❖ **Legislative Mandates.** This legislative season has been quite busy. There are numerous pieces of legislation that may impact the Town's budget. Unfunded mandates for body cameras and business license restrictions are two issues that have been of focus.

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				
List of Funds				
Fund	Fund Type	Description	Appropriated	Included 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

Town of Edisto Beach, South Carolina

FY 2015-16 Budget

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 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
Civic Center	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 civic center activities.	Yes	Yes
Capital Project Sales Tax	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 beach nourishment 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 or \$650,288.

We have a balanced budget with an anticipated fund balance of \$2,967,045.

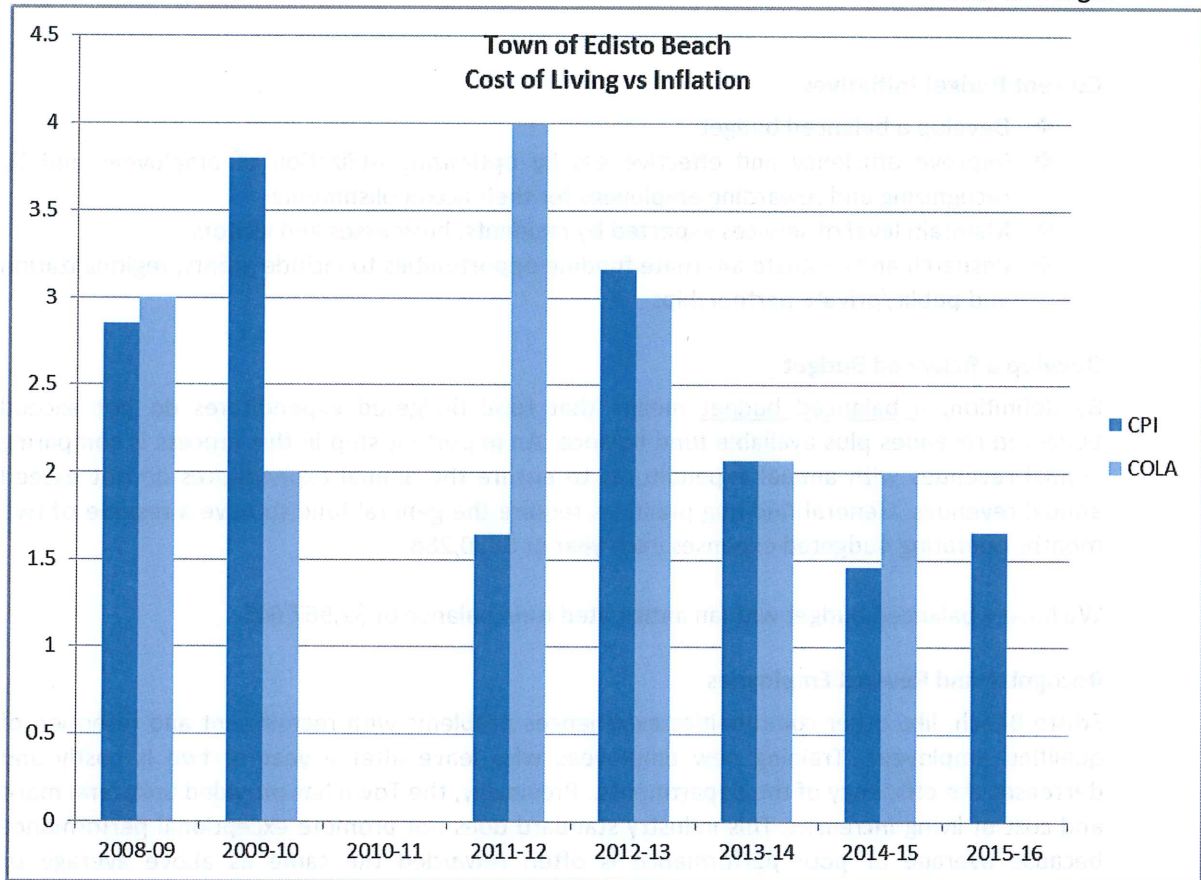
Recognize and Reward Employees

Edisto Beach, like other communities experiences 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. Previously, 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 rewarded 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.

Employees who provide exceptional service are also recognized with Starfish Awards. Three Starfish Awards equals one day off.

A cost of living (COLA) increase will be considered after the tax roll is certified (February 2016) 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. The graph below shows a historical snapshot of cost of living increases compared to inflation. Last year, Council approved a 2% COLA in February. Base salaries were adjusted by the increase including the pay of part-time firefighters.



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 \$461.00/monthly to \$507.00/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 8.16% (SCRS) or 8.74% (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 10.9% to 11.06% for employees in the South Carolina Retirement System and from 31.21% to 13.54% for employees in the Police Officers Retirement System. Employees can also defer pay into a 401 K or 457 cafeteria plan. The Town matches 25% of the employee's participation in the 401K plan up to a maximum amount of \$130.00 bi-weekly.

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 launched an updated website which is easier to update and offers some additional features such as the capability of obtaining data from polls. These polls will be used to help guide Council on individual issues.

Grants/Regionalization/Privatization

Staff continues 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 and is ongoing. With the implementation of Global Positioning Systems in police vehicles, the Town can verify it is meeting the required amount of patrol time by the agreement with Ocean Ridge.

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. This project is being administered by the Department of Transportation (Project ID 0042279). According to the latest DOT schedule the anticipated cost is \$650,874 and it is expected to be let June 2015 with a construction time frame in the fall. In June 2014, the Colleton Transportation Committee (CTC) reallocated \$250,000 for drainage improvements. This resulted in reduction of \$150,000 from the original allocation. Because these projects are being administered by the Department of Transportation, funds were not budgeted in the Town’s budget.

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	250,000	0
	Total		971,167	

*Awarded

Millage rate

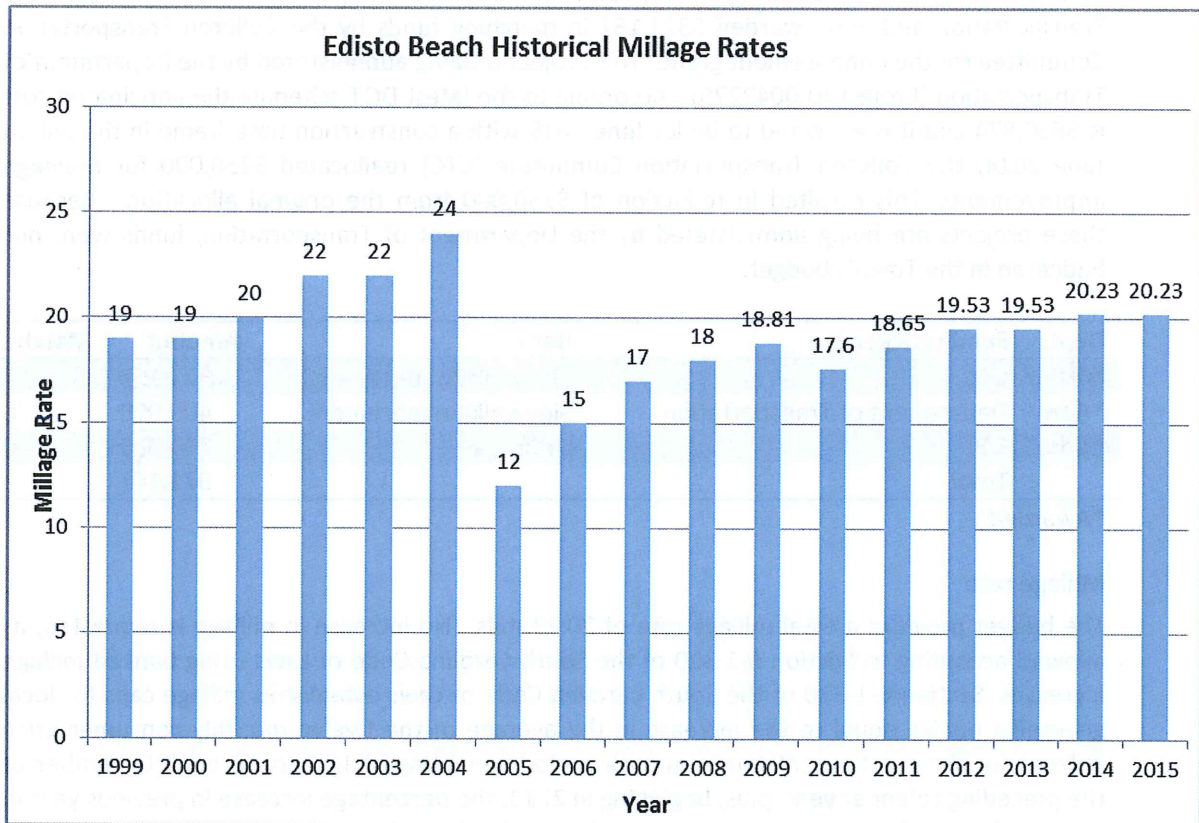
The budget provides a total millage rate of 20.23 mils. No increase in millage is requested, as allowed according to Section 6-1-320 of the South Carolina Code of Laws using banked millage increases. Section 6-1-320 of the South Carolina Code of Laws establishes millage caps for local governing bodies 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 1.62% from Calendar Year 2014 to Calendar Year 2015. The population of Edisto Beach was 0.73%. Adding these two components together yields a millage cap of 2.35% for the Town of Edisto Beach. South Carolina Code sets a “hard cap” on millage increases. 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
FY 15-16	20.23	1.62	0	2.35	0	2.39

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 \$650,288. The fund balance as of April 30, 2015 is \$2,967,045.

Banking

The Town's financial institution is 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 \$6,724,310 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 \$821,340 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% the same as last year's rate. The pooled interest rate is 0.2376% above last year's rate of 0.1359%. 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 dropped from 0.35% to 0.25%.

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.

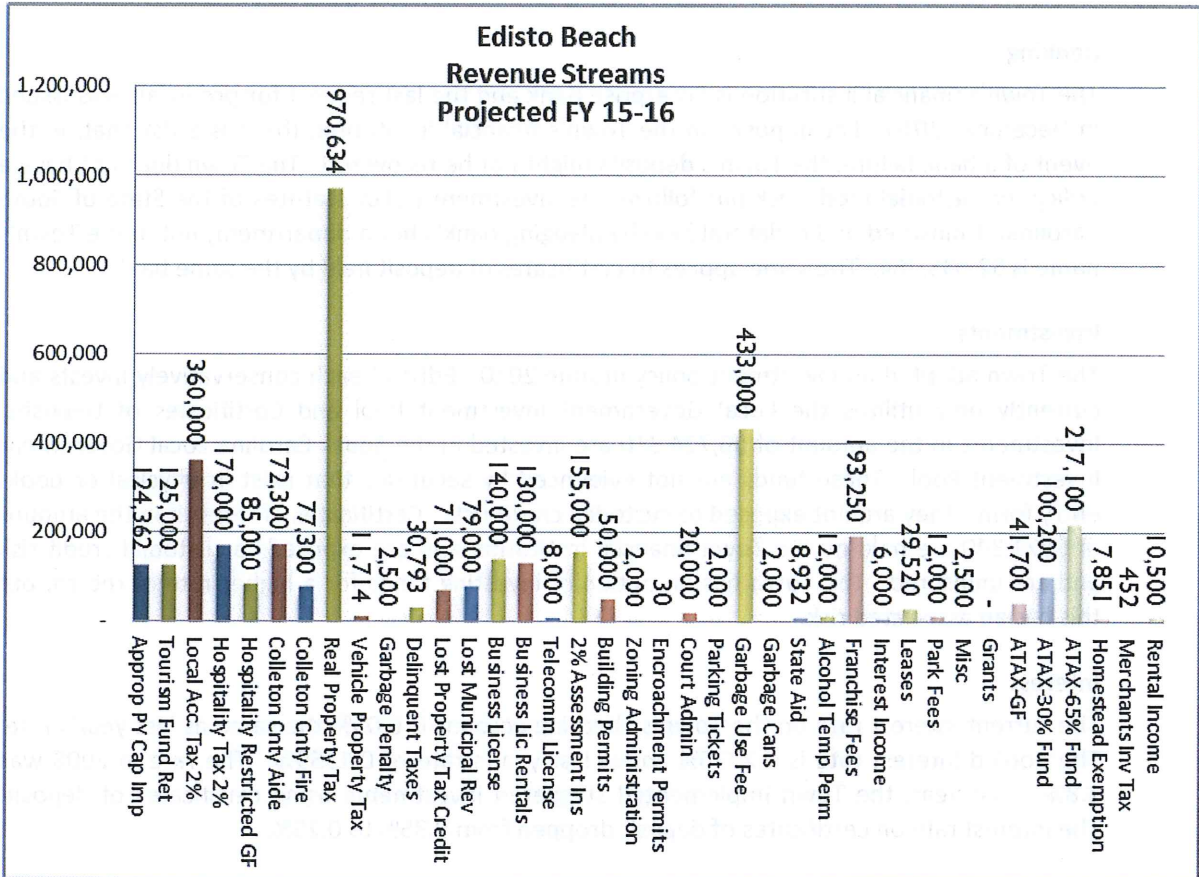
General Fund Revenues**Where does the money come from?**

The operating and capital budgets are financed by revenue sources identified in the following figures. Total projected revenues for FY 2015-16 are \$3,901,730, a -2.1% decrease from the FY 2014-15 amended budget. This revenue decrease comes primarily from a one-time receipt of ATAX funds paid to Charleston County in error the past year.

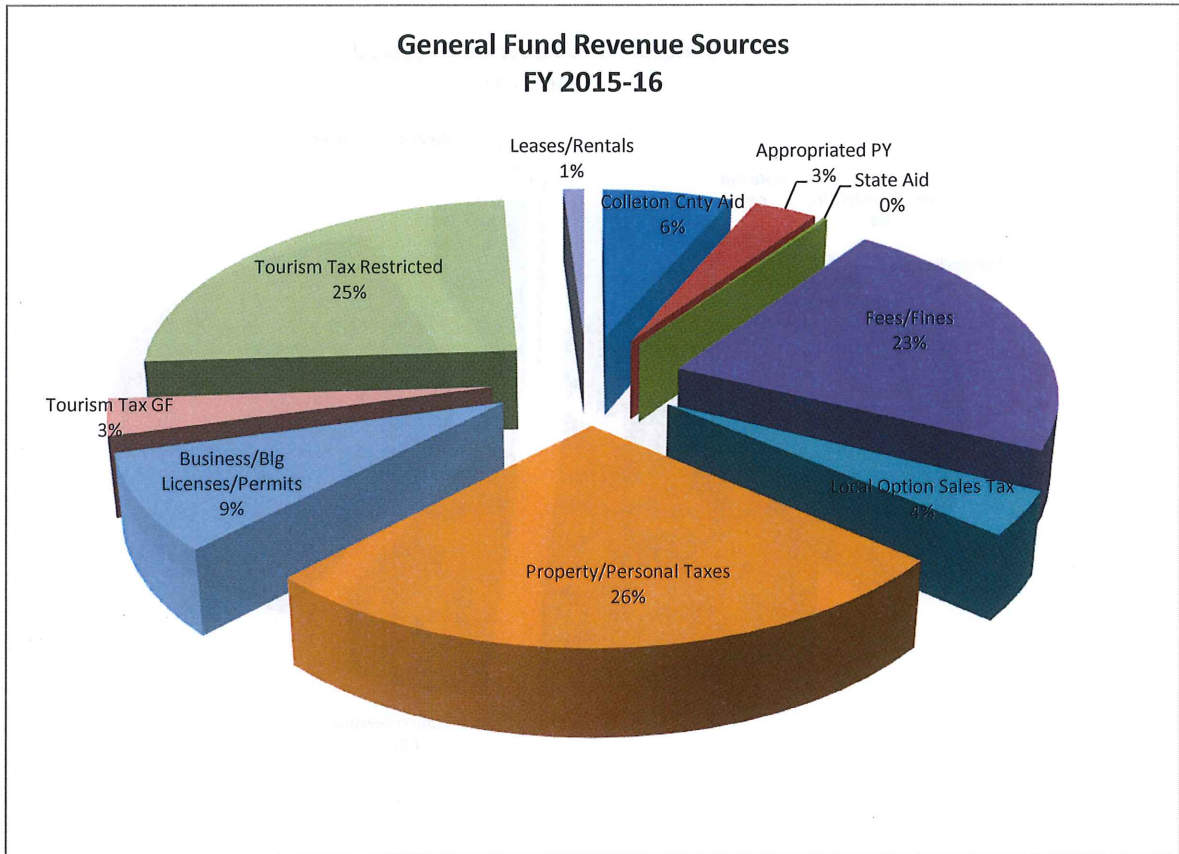
Several methods are used to forecast the individual revenue sources used to finance local government. The sources producing the most revenue are modeled using time series statistical programs. The results are modified based on current and projected economic trends, and views of experts as conveyed in local, state, and national publications. When forecasting 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 external influences.

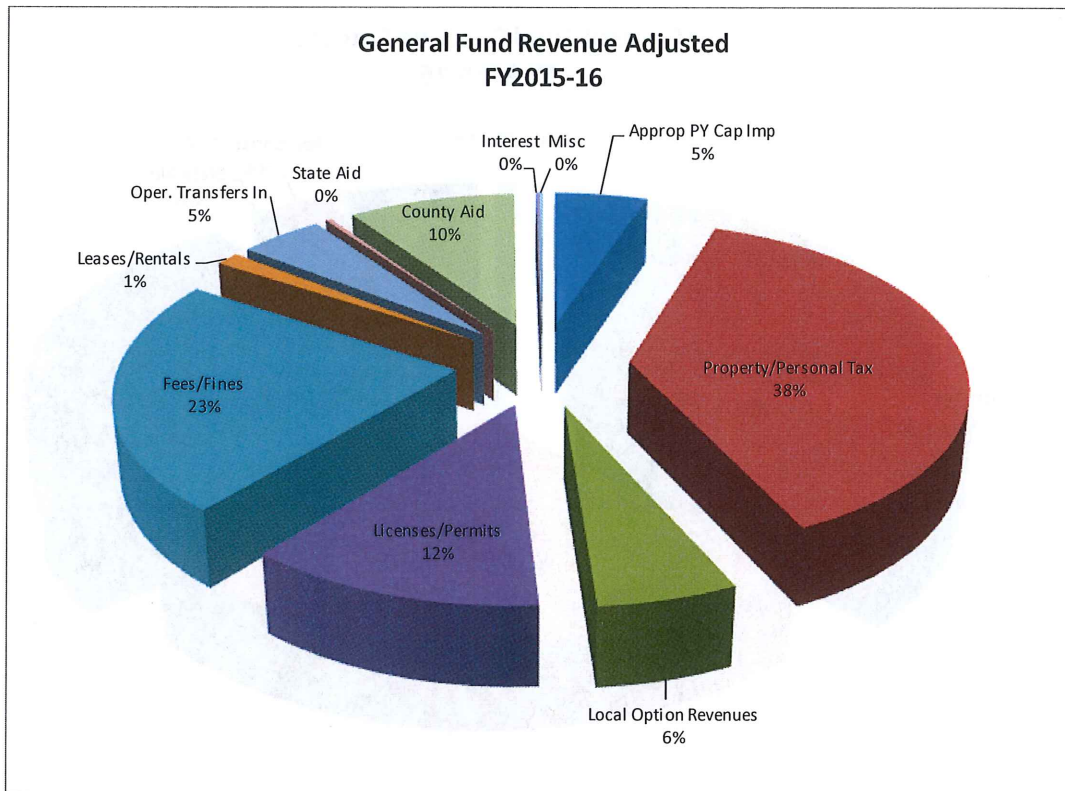
The Town revenue sources are provided from taxes on real, personal and vehicle property; business licenses; permits; fees; charges for services; and other miscellaneous collections.



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.

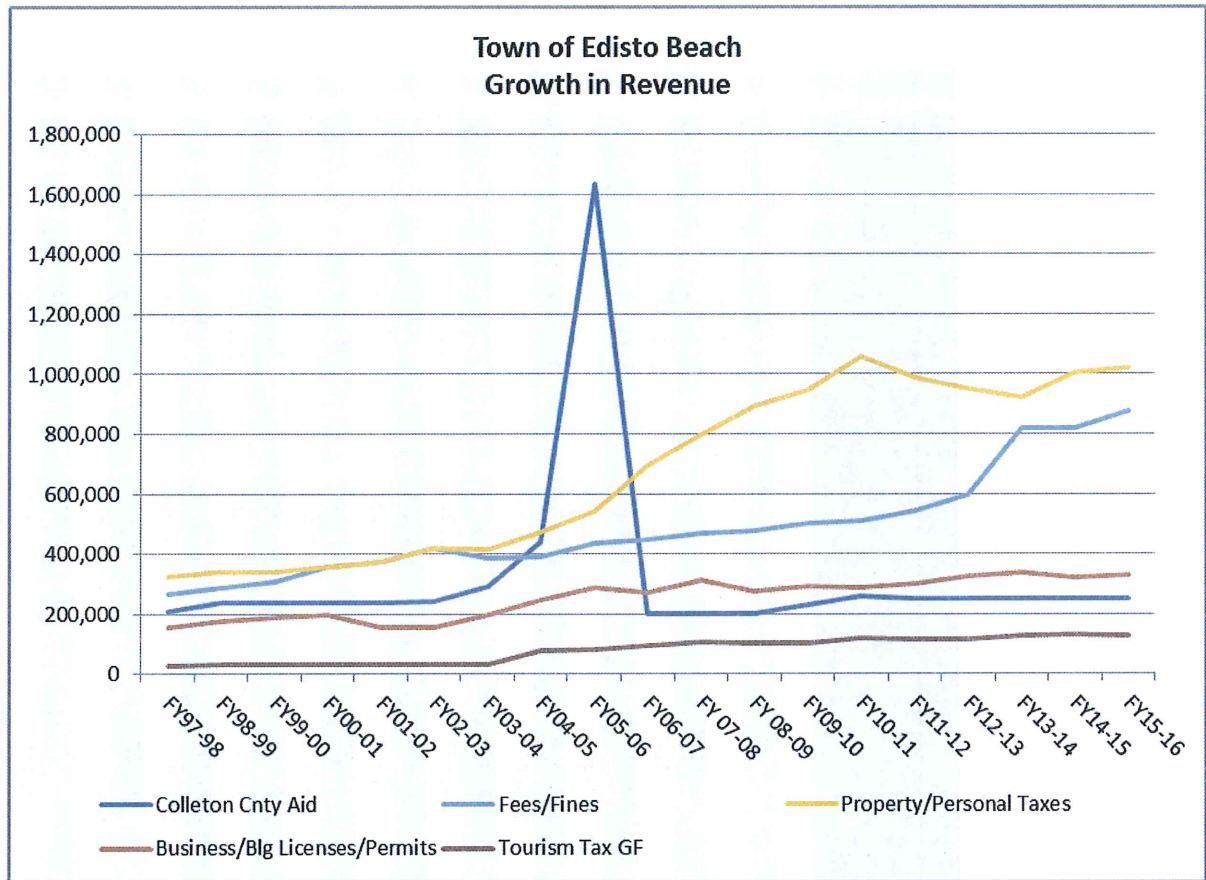


The following graph is adjusted to remove all revenue sources that are not available to the Town for operations. "Operating transfers in" are portions of restricted funds that are allowed to be used for operational purposes.



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 showed a slight recovery in FY2013-14. For budgetary purposes, these revenues are considered flat.



Highlighted revenue funds are described in greater detail below.

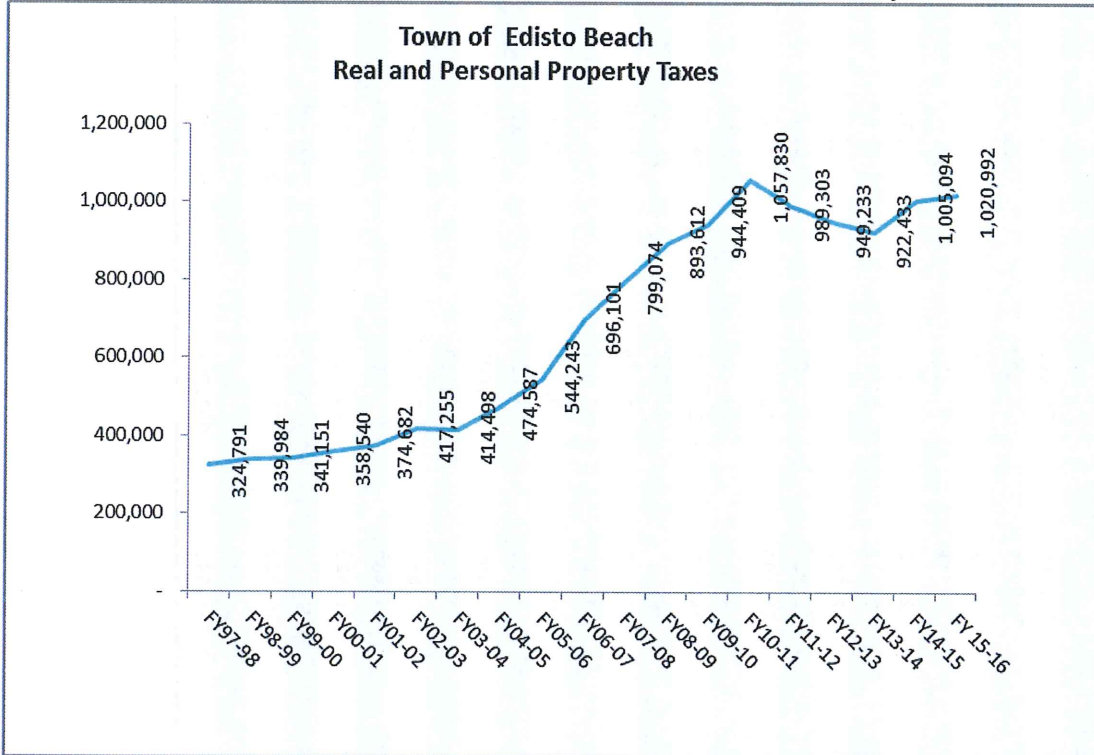
% Change General Fund Revenue

Revenue	11-12		12-13		13-14		14-15		15-16	
	Three Years		Two Years		One Year		Amended		Proposed	
	Prior	Actual	Prior	Actual	Prior	Actual	Budget	Budget	Budget	Increase (Decrease)
Grant DPS	-	-	88,794	-	-	-	-	-	-	-
Ocean Ridge Security Services	-	-	-	-	-	-	36,247	36,568	36,568	321
Approp PY Capital Improvement	-	-	-	-	112,950	-	138,050	124,362	124,362	(13,688)
Tourism Fund Bond Retirement	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	-
Colleton County Aide	172,300	172,300	172,600	172,300	172,300	172,300	172,300	172,300	172,300	-
Colleton County Fire Aide	77,300	77,300	77,000	77,300	77,300	77,300	77,300	77,300	77,300	-
Local Accommodations Tax 2%	311,261	311,261	325,905	367,960	367,960	367,960	390,000	360,000	360,000	(30,000)
Hospitality Tax 2%	153,221	153,221	162,478	166,607	166,607	166,607	170,000	170,000	170,000	-
Hospitality Restricted GF	76,611	76,611	81,239	83,304	83,304	83,304	85,000	85,000	85,000	-
Vehicle Property Tax	9,708	9,708	9,414	11,145	11,145	11,145	11,321	11,714	11,714	393
Garbage Penalty	2,171	2,171	2,428	2,488	2,488	2,488	2,500	2,500	2,500	-
SCLGAG Reimbursement	45,089	45,089	40,580	6,312	6,312	6,312	1,251	-	-	(1,251)
Real Property Tax	946,049	946,049	903,596	881,439	881,439	881,439	965,922	970,634	970,634	4,712
Lost Property Tax Credit	89,598	89,598	92,799	70,971	70,971	70,971	70,161	71,000	71,000	839
Lost Municipal Revenue	61,804	61,804	57,336	79,163	79,163	79,163	74,000	79,000	79,000	5,000
Delinquent Property Tax	26,683	26,683	28,763	21,998	21,998	21,998	20,000	30,793	30,793	10,793
Business License	135,957	135,957	145,456	142,438	142,438	142,438	140,000	140,000	140,000	-
Business License Rentals	127,057	127,057	127,208	129,838	129,838	129,838	130,000	130,000	130,000	-
Telecommunications License	8,559	8,559	7,934	7,702	7,702	7,702	8,000	8,000	8,000	-
2% Assessment Ins. Cos	177,302	177,302	150,180	158,586	158,586	158,586	160,000	155,000	155,000	(5,000)
Building Permits	36,494	36,494	49,856	52,577	52,577	52,577	42,000	50,000	50,000	8,000
Zoning Administration	1,555	1,555	2,650	2,445	2,445	2,445	2,000	2,000	2,000	-

	15	30	30	30	30
Encroachment Permits	-	-	-	30	-
Court Administration	21,307	32,397	19,960	25,000	(5,000)
Parking Tickets	300	225	1,875	2,000	-
Operating Transfer In	-	-	6,908	-	-
Garbage User Fee	349,142	377,187	377,215	393,000	433,000
Garbage Cans	2,245	2,080	2,175	2,000	-
State Aid	7,701	8,944	8,928	8,932	8,932
Alcohol Temp Permit Fee	14,850	11,050	12,150	13,500	(1,500)
Utilities Franchise Fees	116,516	121,614	130,959	122,000	131,000
CATV Franchise Fee	48,845	57,828	60,100	70,000	57,500
AT&T Franchise Fee	-	1,096	2,138	4,000	4,750
Alltel Lease	21,600	24,600	24,600	29,520	-
Park Fees	3,490	8,801	10,645	14,000	(2,000)
Miscellaneous Income	2,593	2,220	31,005	2,300	2,500
Interest Income	6,706	6,613	4,709	6,800	(800)
Rental Income	10,500	10,050	10,500	10,500	-
Fire Department Donations	707	1,420	920	2,094	500
Police Department Donations	300	-	900	1,000	(500)
Donations General	-	4,500	4,500	2,753	(2,753)
Homestead Exemption	6,863	7,460	7,851	7,851	8,375
Merchants Inv. Tax	452	452	452	452	452
ATA&X General Fund	39,711	37,882	41,925	46,000	41,700
ATA&X 30% Fund	88,267	77,295	101,550	126,000	100,200
ATA&X 65% Fund	191,246	167,472	220,025	273,000	217,100
Subtotal	3,517,060	3,612,417	3,754,543	3,983,784	3,901,730
					(82,054)

Property Taxes

The majority of the revenues received by Edisto Beach are property taxes. Property values that remain flat or reduced have impacted revenues. Because the Town’s millage is well below Colleton County, new construction and remodels help some, but are not a major influence.



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 similar 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.

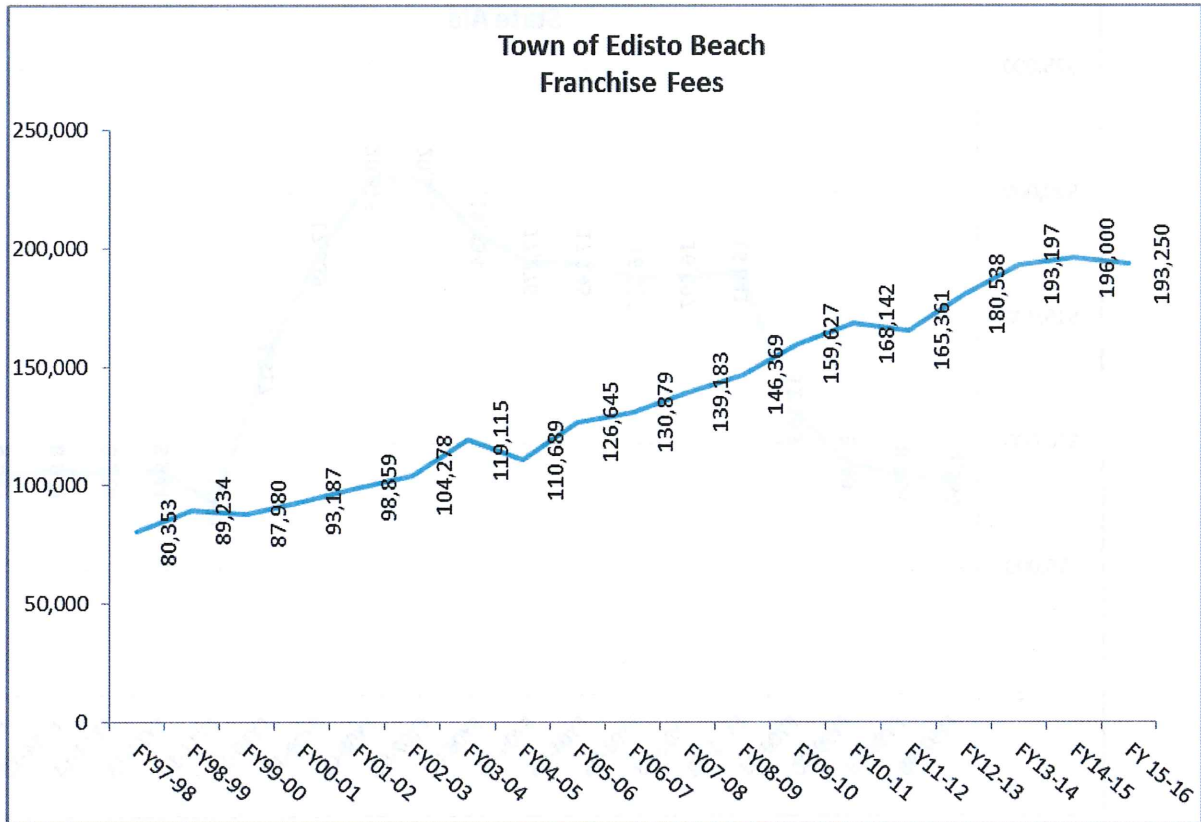
Franchise Fees on Cable-As of May 23, 2006, (the effective date of the Act), no municipality or county may issue a cable franchise pursuant to §58-12-30. All cable franchises must be issued by the Secretary of State. Prior to 2006, the Town utilized the Municipal Association of South Carolina cable television 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%. In 2015, the Town entered into an agreement with Local Government Services LLC to verify the accuracy of Comcast franchise fee submittals. This audit resulted in an

increase in franchise fees from Comcast to correct for late fees that were not being considered in the calculations.

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

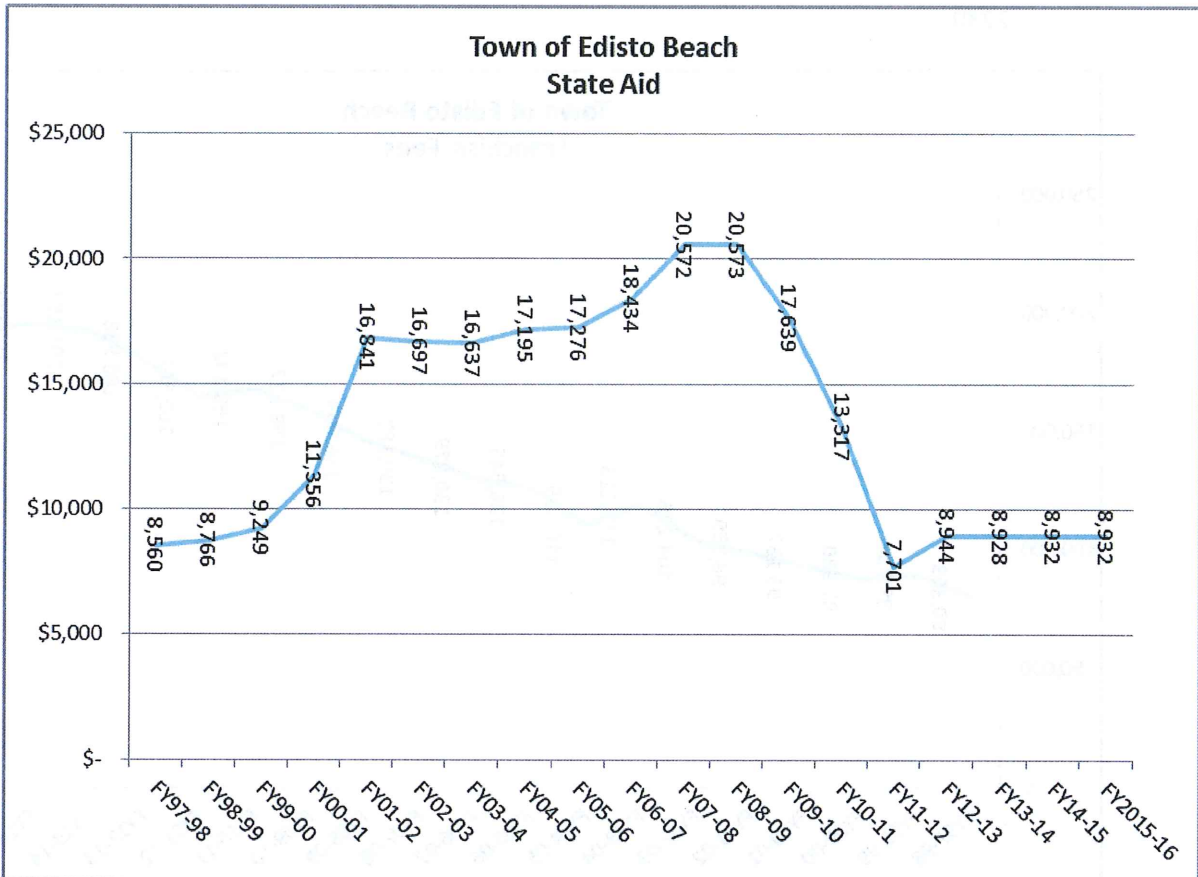
This category accounts for revenues received from lease agreements. The Town has one lease agreement with Alltel. According to the lease agreement with Alltel, there is an escalator that occurs periodically. The adjusted cost is \$29,520.

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

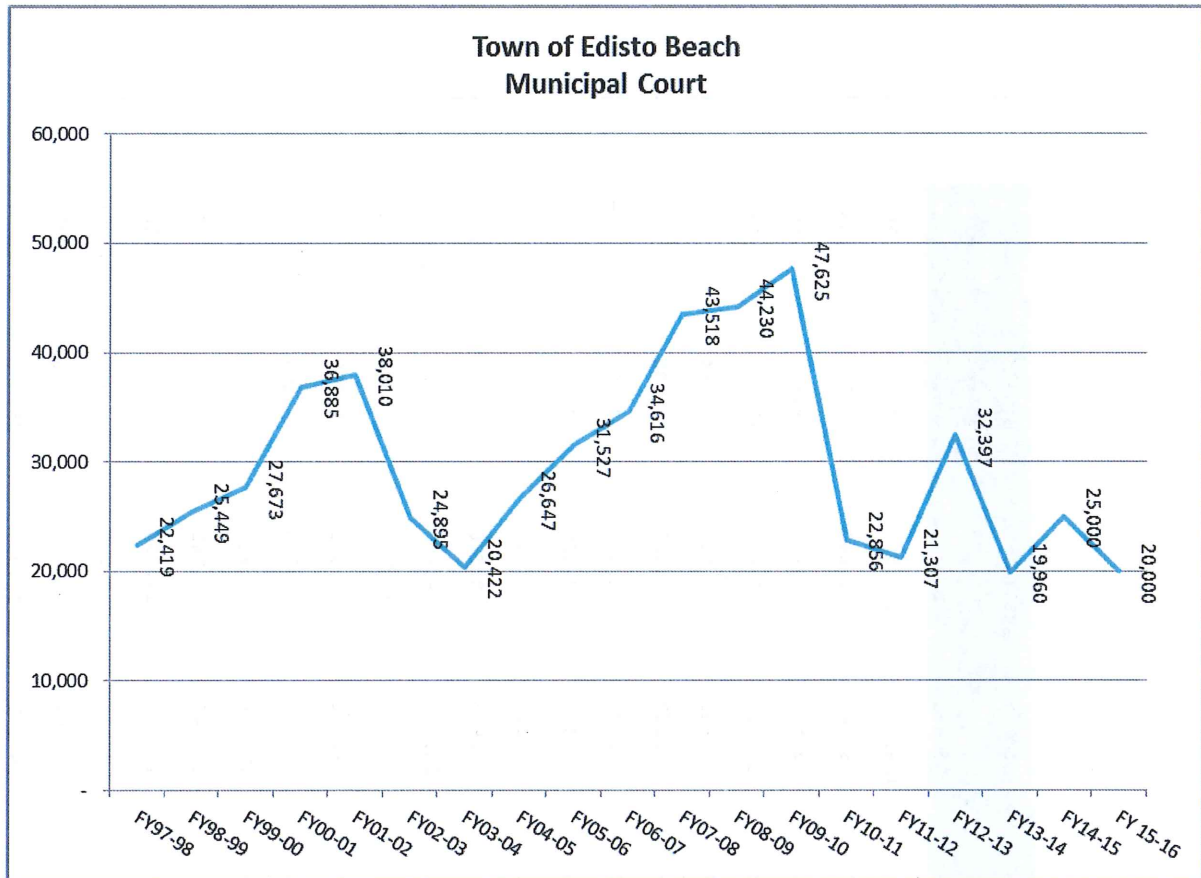
from the LGF quarterly to cities and counties. The amount distributed to cities and counties from their respective portions of the LGF is calculated on a per capita basis determined by the last official census figures. This means a city/town's distribution is based on its percentage of municipal population.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

In FY2008-09 the state reduced funding. Since FY 2011-12, the reduced rate has been consistent.



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 \$2,748 in outstanding fines over the past 15 years.



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 State Accommodations taxes and Local Accommodations taxes.

The General Fund operating budget for FY 2015-16 totals \$3,901,730 and represents a decrease of -\$82,054 or -2.1% from the previous year's budget of \$3,983,784. Contingency funds are \$90,830.

General Fund	Amended Budget	Proposed Budget
	FY 2014-15	FY 2015-16
	\$3,983,784	\$3,901,730
% Change		-2.1%

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

General Govt Operating	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Amended Budget	FY 2015-16 Proposed Budget	Increase (Decrease)
Salaries	118,566	120,290	124,519	130,500	134,000	3,500
Mayor - Council	8,640	8,640	8,640	8,640	11,520	2,880
Retirement System	11,250	13,235	13,504	14,215	14,815	600
Payroll Taxes	10,711	10,778	11,169	11,815	13,000	1,185
Deferred Comp Expense	569	594	642	644	644	-
Printing Office Supplies	4,936	5,165	6,363	6,000	6,000	-
Janitorial Service	2,880	3,180	3,420	4,000	4,000	-
Postage	4,500	3,275	5,055	4,800	4,800	-
Membership & Dues	1,792	2,795	2,200	2,500	2,500	-
Meetings & Training	5,789	5,368	5,905	20,500	10,000	(10,500)
Electric Street Lights	26,164	26,803	25,136	28,800	27,000	(1,800)
Electricity Complex	10,543	10,541	14,559	12,000	10,000	(2,000)
Telephone	9,806	12,552	9,621	12,000	12,000	-
Equip Repairs Office	-	65	-	200	200	-
Maintenance Contracts	14,473	13,660	17,396	21,415	24,225	2,810
VC3	26,968	26,436	37,443	41,745	41,815	70
Prof Fees/Audit Misc	47,010	14,985	14,605	17,750	16,000	(1,750)
Codification Project	3,892	3,321	2,113	4,000	3,000	(1,000)
Advertising/Pub Notices	3,666	3,061	3,004	3,000	2,000	(1,000)
Insurance General	15,066	20,975	14,283	25,955	25,000	(955)
Insurance Staff Health	12,267	11,996	12,820	15,700	14,000	(1,700)

Town of Edisto Beach, South Carolina

FY 2015-16 Budget

Insurance Auto	905	755	635	500	500	-
Christmas Bonus	4,850	4,600	6,000	5,950	6,000	50
Bank Charges	370	1,037	726	700	700	-
Miscellaneous Expense	1,853	3,437	7,940	4,000	4,000	-
Drug Testing	795	836	1,170	1,000	500	(500)
Gas & Oil Vehicle Repair/Maintenance	1,932	765	1,214	1,400	1,200	(200)
	-	31	225	10,250	6,000	(4,250)
Equip /Veh Depreciation	16,517	16,250	16,250	11,403	11,403	-
Garbage Contract	353,477	351,772	384,282	393,000	433,000	40,000
Donations	100	-	-	-	-	-
Furniture & Fixtures	2,110	170	-	-	-	-
Office Machines/Software	5,484	4,497	5,165	7,000	7,000	-
Building Maintenance	7,407	11,243	3,423	7,000	4,000	(3,000)
Property Purchase	-	102,173	-	-	-	-
Legal Fees	29,769	44,937	37,082	43,000	41,000	(2,000)
Bay Creek Waterfront Bond	175,815	173,450	176,085	173,505	175,925	2,420
Emergency Funds	1,477	216	1,043	5,000	5,000	-
Subtotal	942,349	1,033,884	973,635	1,049,887	1,072,747	22,860
General Govt Other	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Amended Budget	FY 2015-16 Proposed Budget	Increase (Decrease)
Local Acc. Tax 2%	311,261	325,905	367,960	390,000	360,000	(30,000)
Hospitality Tax 2%	153,221	162,478	166,607	170,000	170,000	-

ATAX 30% Fund	88,267	77,295	101,550	126,000	100,200	(25,800)
ATAX 65% Fund	191,246	167,472	220,025	273,000	217,100	(55,900)
Alcohol Fee	14,850	11,050	12,150	13,500	12,000	(1,500)
Computer Hardware/Software	15,715	18,944	8,556	14,000	14,000	-
CIP Miscellaneous	-	-	74,282	124,210	124,362	152
Subtotal	774,560	763,144	951,130	1,110,710	997,662	(113,048)
Police Department						
	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase
	Actual	Actual	Actual	Amended Budget	Proposed Budget	(Decrease)
Salaries	250,471	264,123	291,362	298,688	294,569	(4,119)
Salaries Beach Patrol	-	-	-	-	4,304	4,304
Retirement	28,937	30,765	30,990	39,455	39,648	193
Payroll Taxes	20,494	20,437	23,828	24,250	24,131	(119)
Deferred Compensation	878	845	825	845	-	(845)
Printing & office Supply	1,375	1,387	1,837	2,000	2,000	-
Janitorial Service	35	62	-	300	50	(250)
Membership and Dues Meeting, training, Travel	565	300	330	565	565	-
	2,148	2,611	1,546	2,000	5,000	3,000
Insurance General	20,412	20,725	20,161	22,900	22,900	-
Insurance Staff Health	25,212	24,016	30,687	32,670	37,907	5,237
Insurance Auto	9,362	7,983	7,603	6,791	6,870	79
Miscellaneous Expense	371	399	741	1,200	1,200	-

Psychological Exam	-	670	-	1,000	500	(500)
Gas, oil, minor Repair	29,807	30,777	35,563	34,500	34,500	-
Vehicle Repair and Maintenance	7,783	7,473	8,470	11,500	8,500	(3,000)
Uniforms	1,898	3,496	5,456	8,400	7,400	(1,000)
Equip/Veh Depreciation	84,851	42,458	57,716	65,462	54,520	(10,942)
Furniture & Fixtures	1,615	-	-	700	700	-
Equipment Purchases	4,199	45,821	5,065	4,000	4,000	-
Pagers & Communications	2,770	868	5,589	7,209	5,750	(1,459)
Digital Camera System	-	-	-	-	3,000	3,000
Radio Purchase & Repair	777	64,375	1,631	2,156	4,156	2,000
Building Maintenance Expenditures from Donation	3,000	6,314	1,947	1,000	3,000	2,000
Ocean Ridge Security Services	184	-	385	1,900	2,400	500
	-	-	-	36,247	36,568	321
Subtotal	497,144	575,905	531,732	605,738	604,138	(1,600)
Municipal Court						
	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase (Decrease)
	Actual	Actual	Actual	Amended Budget	Proposed Budget	
Salaries	42,994	42,784	43,808	44,485	44,500	15
Municipal Judge Expense	6,200	6,800	6,600	8,200	7,000	(1,200)
Jury Expense	-	140	110	360	520	160
Public Defender	-	-	-	1,000	1,000	-
Retirement	4,100	4,535	4,611	4,848	5,000	152
Payroll Taxes	3,414	3,908	4,082	4,450	3,700	(750)

Membership and Dues	120	120	120	175	175	-
Meetings & Training	1,122	1,118	531	1,020	1,000	(20)
Court Admin Fees	12,320	20,412	9,193	20,000	20,000	-
Insurance General	1,200	500	564	525	525	-
Insurance Staff Health	5,454	5,107	5,342	6,325	5,810	(515)
Miscellaneous	432	721	194	325	500	175
Subtotal	77,356	86,145	75,155	91,713	89,730	(1,983)
Fire Department						
	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase
	Actual	Actual	Actual	Amended	Proposed	(Decrease)
Salaries	288,175	287,977	267,016	290,840	300,000	9,160
Volunteer Expenses	420	1,860	1,310	2,700	3,700	1,000
Retirement	32,844	31,892	33,388	37,912	40,620	2,708
Payroll Taxes	24,396	24,391	22,142	23,755	24,550	795
Deferred Comp	368	-	-	-	-	-
Membership and Dues Meeting, training, Travel	-	-	220	1,000	500	(500)
Fire Engine Maintenance	23,478	17,003	16,824	15,000	4,000	1,000
Equipment Repairs	43	1,740	2,393	4,341	4,605	264
Professional Fees	295	-	275	500	250	(250)
Equipment Testing	5,660	5,011	3,073	6,910	8,421	1,511
Hydrant Testing/Maint	-	-	-	-	-	-

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Physicals	3,041	3,111	7,496	4,135	4,000	(135)
Ins. General	20,040	18,925	20,561	21,485	22,300	815
Insurance Staff Health	21,953	9,476	9,793	17,000	23,240	6,240
Insurance Auto	9,490	8,168	7,602	7,279	8,000	721
Propane	-	-	43	200	50	(150)
Miscellaneous	504	585	975	1,700	1,500	(200)
Gas, oil, minor Repair	12,199	10,854	8,432	13,000	11,000	(2,000)
Vehicle Maintenance	2,452	2,374	1,003	2,400	1,500	(900)
Sm. Tools & Supplies	2,200	435	898	4,000	4,000	-
Compressor Maintenance	-	-	384	500	500	-
Uniforms	1,435	1,910	7,335	7,396	5,000	(2,396)
Turnout Gear	1,555	3,230	3,829	-	4,832	4,832
Equip/Veh Depreciation	62,465	61,136	61,627	80,410	77,006	(3,404)
Station Maintenance	14,007	4,776	5,081	5,000	9,000	4,000
Office Equip/Software	86	289	2,079	920	1,000	80
Equipment Purchases	797	781	-	1,000	4,380	3,380
Pagers & Communications	2,800	4,133	3,215	3,500	3,000	(500)
Radio Purchase & Repair	(182)	897	576	3,400	3,500	100
Subtotal	533,837	503,454	489,729	559,283	570,454	11,171
Safety & Wellness	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Amended Budget	FY 2015-16 Proposed Budget	Increase (Decrease)

Employee Physicals	1,995	861	1,362	1,500	1,500	-
HBV Vaccinations	108	-	135	600	600	-
Flu Vaccinations	300	225	200	200	200	-
Subtotal	2,403	1,086	1,697	2,300	2,300	-
Public Works						
	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase
	Actual	Actual	Actual	Amended	Proposed	(Decrease)
Salaries	82,487	86,944	88,714	92,125	93,865	1,740
Salary Mosquito Control	4,974	2,370	878	5,000	3,000	(2,000)
Retirement	7,865	9,216	9,404	10,045	10,382	337
Payroll Taxes	6,941	6,990	7,042	7,650	7,800	150
Insurance General	8,113	7,375	6,439	6,200	6,660	460
Insurance Staff Health	14,823	15,460	16,024	18,000	17,500	(500)
Insurance Auto	2,127	2,070	1,794	1,389	1,530	141
Christmas Decorations	2,258	2,498	6,374	1,069	5,000	3,931
Miscellaneous	632	519	334	500	500	-
Gas, oil, minor Repair	7,762	9,637	9,077	10,000	10,000	-
Vehicle Repair & Maint	361	2,200	233	2,000	1,000	(1,000)
Equipment Repairs	3,350	2,497	4,357	3,500	3,500	-
Sm. Tools & Supplies	1,169	970	807	1,500	1,500	-
Uniforms	2,395	2,106	2,123	3,000	2,500	(500)
Equip/Veh Depreciation	22,115	22,920	25,392	28,310	28,310	-

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Street Imp/Repairs	14,568	2,633	7,912	6,000	6,000	-
Street Grading Contract	6,010	8,176	6,320	11,000	11,000	-
Beach Access Maintenance	1,607	1,475	1,598	1,500	1,500	-
Mosquito Chemicals	11,803	5,024	5,437	7,500	6,000	(1,500)
Equipment Purchases	1,603	1,041	3,803	2,000	2,000	-
Public Signs	6,647	9,920	6,040	2,000	5,000	3,000
Parks and Recreation	2,367	2,218	9,350	25,172	25,172	-
Pagers & Communications	608	843	904	1,200	1,000	(200)
Subtotal	212,585	205,101	220,355	246,660	250,719	4,059
Building Department	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase
	Actual	Actual	Actual	Amended	Proposed	(Decrease)
				Budget	Budget	
Salaries	131,074	131,550	131,991	140,800	143,500	2,700
Retirement	12,508	14,031	13,839	15,345	15,870	525
Payroll Taxes	10,663	10,960	10,472	11,375	11,600	225
Def Comp Expenses	18	-	-	43	-	(43)
Office Supplies	698	698	1,638	1,485	1,450	(35)
Memberships & Dues	445	655	538	800	800	-
Meetings & training	5,686	4,909	8,022	7,000	9,800	2,800
GIS	428	527	428	600	430	(170)
Insurance General	3,531	3,020	2,990	2,530	2,780	250
Insurance Staff Health	15,217	14,212	15,099	16,100	17,430	1,330

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Insurance Auto	1,809	1,523	1,297	1,184	1,300	116
Miscellaneous	759	820	999	4,400	2,000	(2,400)
Gas, oil, minor Repair	4,281	3,369	4,190	4,000	4,000	-
Vehicle Repair & Maint	86	742	2,119	1,000	1,000	-
Uniforms	141	-	482	500	500	-
Equip/Veh Depreciation	6,709	6,709	6,709	2,715	7,940	5,225
Small Tools	-	31	-	150	150	-
Pagers & Communications	2,962	2,438	2,407	2,600	2,600	-
Subtotal	197,015	196,195	203,220	212,627	223,150	10,523
Contingency	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY 2015-16	Increase
	Actual	Actual	Actual	Amended	Proposed	(Decrease)
				Budget	Budget	
General Gov Contingency	296,622	151,662	108,630	104,866	90,830	(14,036)
TOTAL	3,533,871	3,516,575	3,555,287	3,983,784	3,901,730	(82,054)

Service or significant changes within the General Fund are listed below:

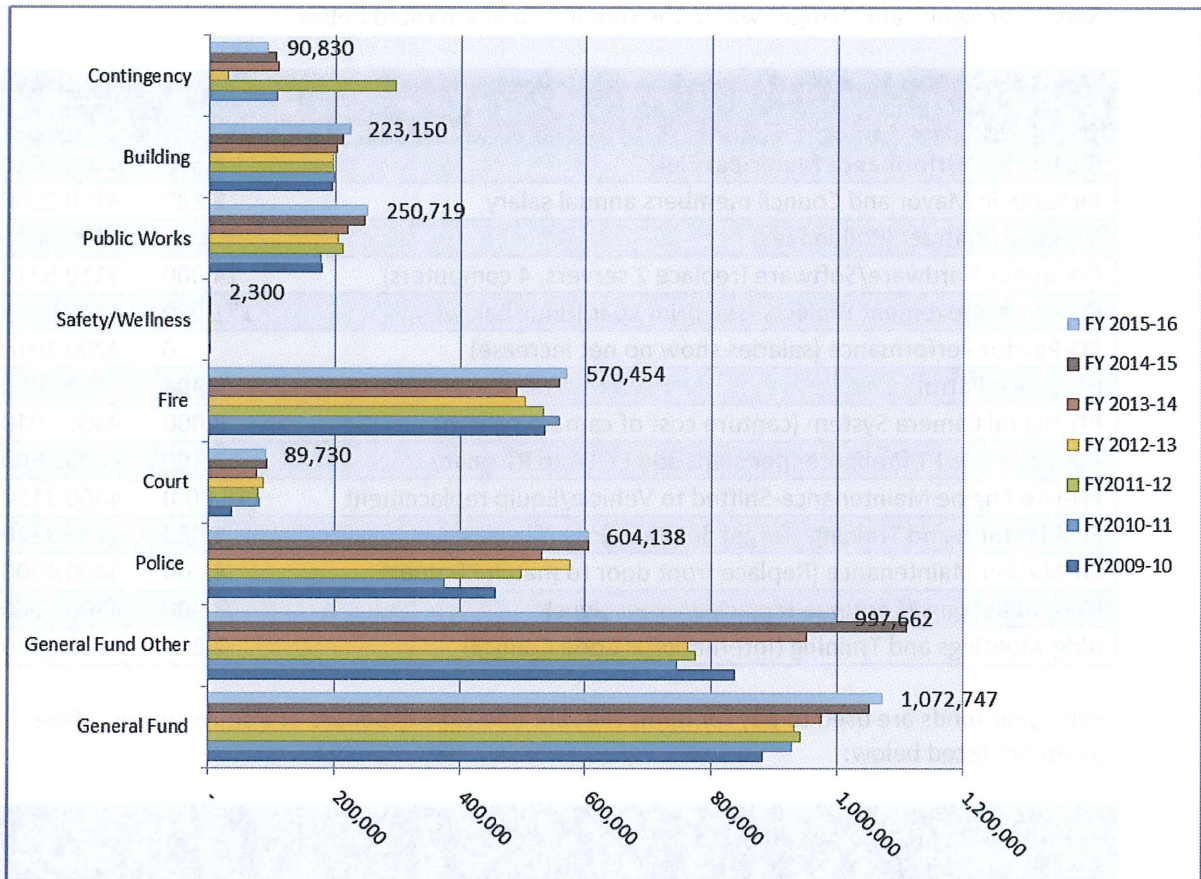
General Fund Service Changes	Amount	Account
5% Pay for Performance Municipal Clerk	3,500	4100.1010
Increase in Mayor and Council members annual salary	2,880	4100.2000
Garbage Contract (Roll-in fees)	40,000	4100.5000
Computer Hardware/Software (replace 2 servers, 4 computers)	14,000	4110.6310
Capital Improvement Projects (see prior year funds below)	171,030	4110.6500
PD-Pay for Performance (salaries show no net increase)	0	4200.1010
PD-Beach Patrol	4,304	4200.2000
PD-Digital Camera System (capture cost of camera system)	3,000	4400.1010
FD- Have one FT firefighter per shift; add COLA to PT salary	9,160	4400.3500
FD-Fire Engine Maintenance-Shifted to Vehicle/Equip replacement	(15,000)	4400.3150
FD-Meetings and Training (Target Solutions)	1,000	4400-3120
FD-Station Maintenance (Replace front door to match PD door)	4,000	4400.4000
PW-Public Signs (Continue replacing street signs)	3,000	4700.9060
Bldg-Meetings and Training (International Code Council)	2,800	4800.3120

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
Coat, seal and restripe parking lot	4,550
Replace three fire hydrants	6,480
Bay Creek Park Stage over retention pond	113,332
Total	124,362

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

General Fund Departmental Budget Comparison Graph



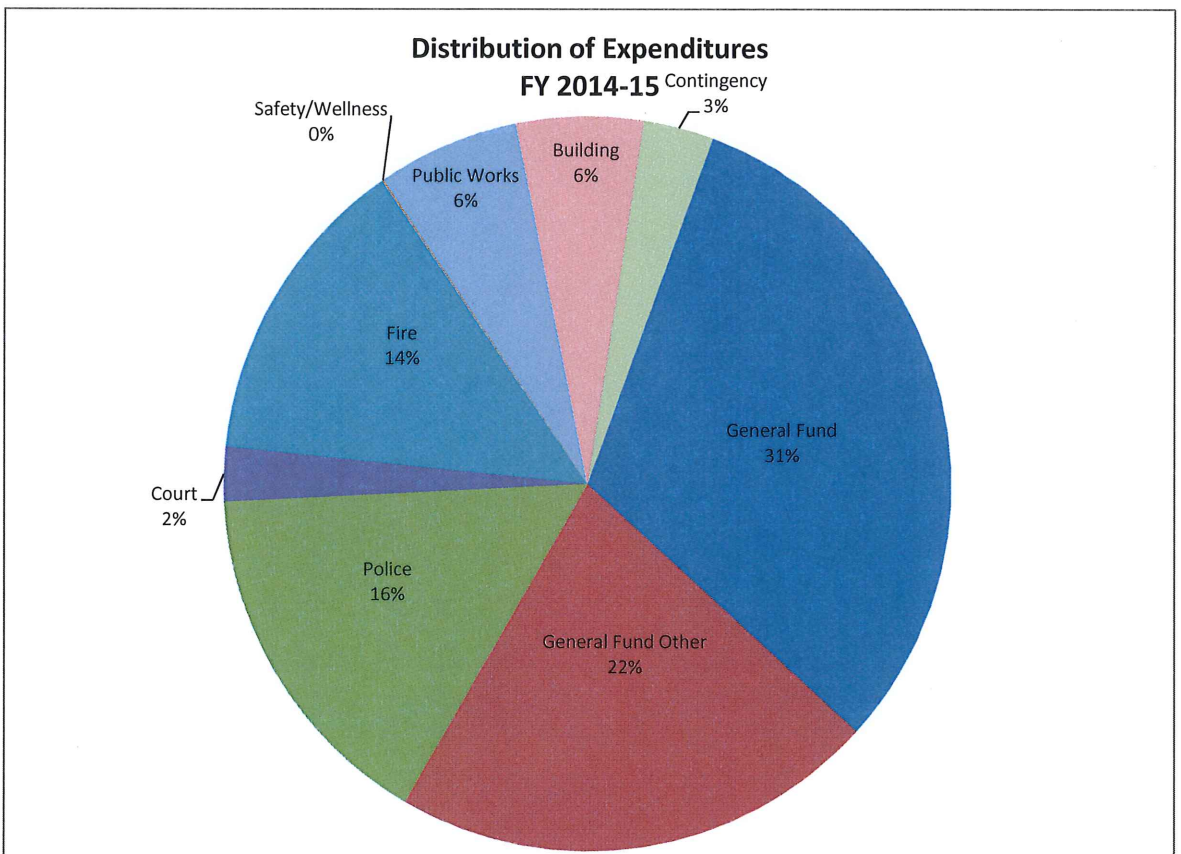
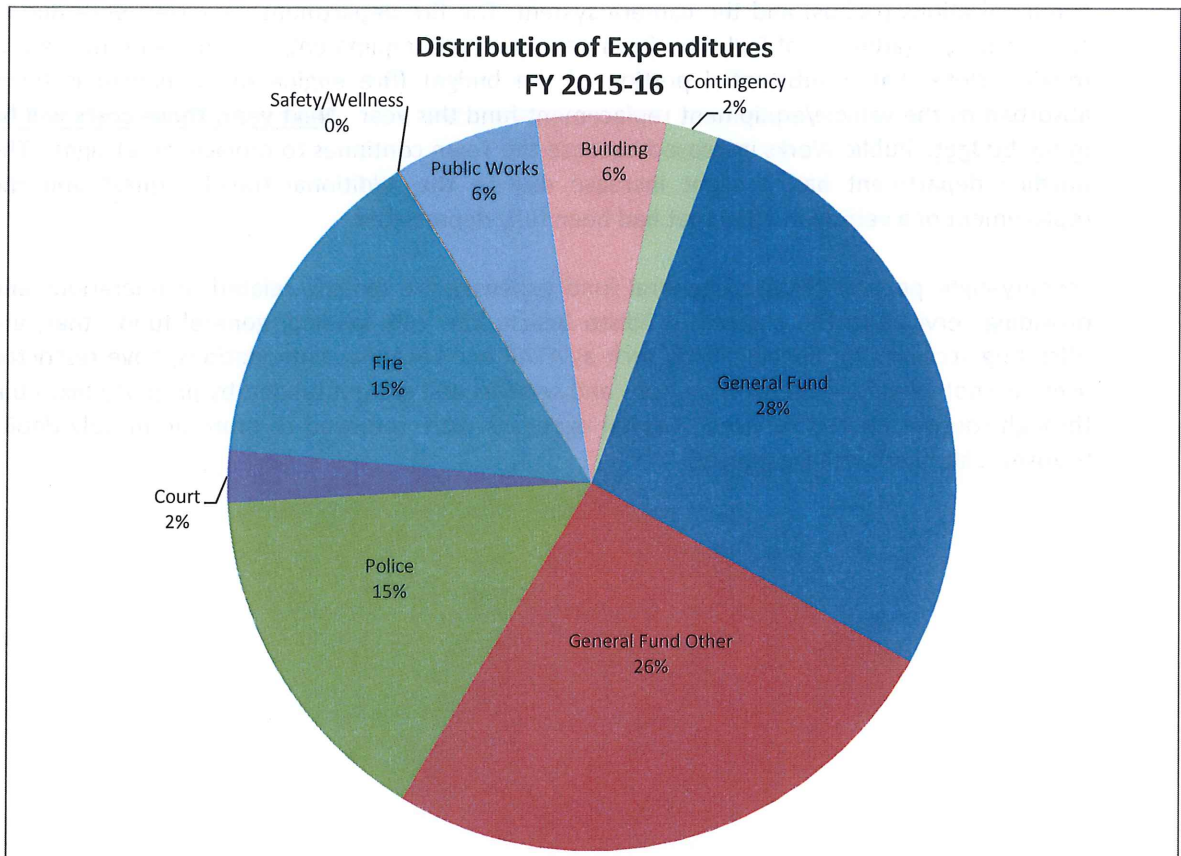
% Change General Fund Departmental Budgets

Department Budget	FY13-14	FY 14-15	FY15-16	Difference	% Change
Administration	992,065	1,049,887	1,072,747	22,860	2.2
General Gov't Other	886,050	1,110,710	997,662	-113,048	-10.1
Police	576,555	605,738	604,138	-1,600	-.26
Municipal Court	88,123	91,713	89,730	-1,983	-2.1
Fire	498,140	559,283	570,454	11,171	1.9
Safety and Wellness	2,162	2,300	2,300	0	0
Public Works	255,982	246,660	250,719	4,059	1.6
Building	220,022	212,627	223,150	10,523	4.9
Contingency	108,630	104,866	90,830	-14,036	-13.4
Total	3,627,729	3,983,784	3,901,730	-82,054	-2.1

Comparatively, the operating costs from fiscal year 2014-15 to 2015-16 have remained constant. The 10.1% decrease in general operating other is due to an expected decrease in 65% ATAX funds from FY2014-15 because the Town received funds paid in error to Charleston County from the previous year. 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 for "roll-in" services, salary adjustments, maintenance contract adjustments and an adjustment in the Bay Creek Bond amount. The majority of the police department budgetary increase was the addition of beach patrol to the budget that had been paid using ATAX funds in previous years, additional training and costs associated with

communications (radios) and the camera system. The fire department increases were due to salary changes (addition of Full-time from part-time) and equipment/station maintenance and repair. Note that a substantial portion of the budget (fire engine maintenance) is being absorbed by the vehicle/equipment replacement fund this year. **Next year, those costs will be in the budget.** Public Works increased because the Town continues to replace street signs. The Building department had a slight increase due to the additional travel request and the replacement of a vehicle in 2015 that had been fully depreciated.

Seventy-eight percent (74%) of general fund expenses are directly related to operations and providing services to the citizens of Edisto Beach. The 26% 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, but will be reviewed in February 2016. Salary adjustments based on merit and various departmental pay for performance increases are included in the table below.

Department Salaries	FY 2014-15	FY 2015-16	Difference
Administration	130,500	134,000	3,500
Police Department	298,688	294,569	-4,119
Municipal Court	44,485	44,500	15
Fire Department	290,840	300,000	9,160
Public Works	92,125	93,865	1,740
Building Department	140,800	143,500	2,700
Total			12,996

A General Fund Capital Improvement plan is being developed to track future capital costs and 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 Depreciation	Fund	Department	Status
Mud Hog W/W	06/17/1995	\$2,000.00	5	\$2,500.00	1999	\$0	UVERF	Water/Sewer	Fully Dep
16' Hudson Trailer	06/15/1995	\$1,385.00	10	\$1,731.25	2002	\$0	GFVERF	Public Works	Fully Dep
1994 John Deer 1070 Tractor	06/16/1995	\$17,500.00	10	\$21,875.00	2003	\$0	GFVERF	Public Works	Fully Dep
3" Mud Hog (W/S)	11/29/2001	\$1,537.00	5	\$1,921.25	2005	\$0	UVERF	Water/Sewer	Fully Dep
Onan Gen Trailer 35KW	06/19/1995	\$20,000.00	10	\$25,000.00	2006	\$0	UVERF	Water/Sewer	Fully Dep
Onan Gen Trailer 35KW	09/01/1998	\$18,700.00	10	\$23,375.00	2007	\$0	UVERF	Water/Sewer	Fully Dep
Ditch Witch Trench/Trailer	07/26/2004	\$7,442.00	5	\$9,302.50	2008	\$0	UVERF	Water/Sewer	Fully Dep
Onan Gen Sewer Plant	10/01/2000	\$13,000.00	10	\$16,250.00	2009	\$0	UVERF	Water/Sewer	Fully Dep
2006 Chevrolet HD2500	11/16/2005	\$25,500.00	5	\$31,875.00	2009	\$0	UVERF	Water/Sewer	Fully Dep
2006 Fast Lane Dump Trailer	08/01/2006	\$6,360.00	5	\$7,950.00	2011	\$0	GFVERF	Public Works	Fully Dep
2006 Gill Box Scraper	08/01/2006	\$1,958.85	5	\$2,448.56	2011	\$0	GFVERF	Public Works	Fully Dep
Mighty Mole #1070016	04/09/2002	\$5,429.00	10	\$6,786.25	2011	\$0	UVERF	Water/Sewer	Fully Dep
Thompson Pump 4V-312	09/27/2001	\$17,369.00	10	421,711.25	2011	\$0	UVERF	Water/Sewer	Fully Dep
2008 Ford F250	11/28/2007	\$30,200.00	5	\$37,750.00	2011	\$0	UVERF	Water/Sewer	Fully Dep
2008 Ford F250 Sup Cab	12/07/2007	\$25,054.00	5	\$31,317.50	2011	\$0	UVERF	Water/Sewer	Fully Dep
2008 Trailblazer	01/10/2008	\$19,390.00	5	\$24,238	2012	\$0	GFVERF	Administration	Fully Dep
2006 F-150 Ford Truck	07/31/2006	\$22,368.00	7	\$27,960.00	2012	\$0	GFVERF	Building	Fully Dep
Miller Built Trailer	06/30/1905	\$2,721.00	5	\$3,401.25	2012	\$0	GFVERF	Public Works	Fully Dep
JD Sweeper Attachment	11/02/2007	\$7,088.00	6	\$8,860.00	2013	\$0	GFVERF	Public Works	Fully Dep
Harper/Goossen Blower	09/21/2007	\$4,558.00	6	\$5,697.50	2013	\$0	GFVERF	Public Works	Fully Dep
Mudhog 5537W	11/01/2007	\$2,105.00	6	\$2,631.25	2013	\$0	UVERF	Water/Sewer	Fully Dep
2008 Ford F250 Lt Truck	07/29/2008	\$30,988.00	5	\$38,735.00	2013	\$0	UVERF	Water/Sewer	Fully Dep
2006 Cat. Back Hoe 416D	07/06/2014	\$55,500.00	7	\$69,375.00	2013	\$0	UVERF	Water/Sewer	Fully Dep
2010 Polaris Ranger	01/08/2010	\$14,766.00	5	\$18,457.50	2014	\$3,691.50	GFVERF	Fire	Dep schedule
2010 Dodge Charger 4S	01/18/2010	\$20,934.00	4	\$37,000.00	2014	\$9,135.00	GFVERF	Police	Dep schedule
2010 Dodge Charger	08/25/2010	\$20,934.00	4	\$37,000.00	2014	\$8,262.70	GFVERF	Police	Dep schedule

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2010 Ford F-150	12/15/2010	\$17,379.00	5	\$21,723.75	2014	\$4,344.75	GFVERF	Public Works	Dep schedule
Onan Gen Trailer 50KW	05/01/2005	\$24,207.00	10	\$30,258.75	2014	\$0	UVERF	Water/Sewer	Fully Dep
Dewalt Gen 6.0-6.4 KW	09/02/2004	\$1,935.00	10	\$2,418.75	2014	\$0	UVERF	Water/Sewer	Fully Dep
Jet Vac W/Camera	09/09/2005	\$74,000.00	10	\$92,500	2014	\$5,833.00	UVERF	Water/Sewer	Dep schedule
2008 Onan Generator	2008	\$27,500	5	\$34,375	2015	\$6,875	GFVERF	Administration	Dep schedule
Turn Out Gear Zemp	04/01/2006		10	\$3,600.00	2015	\$3,600.00	VFD	Fire	Not deprec
Turn Out Gear Extra	10/11/2011		10	\$3,600.00	2015	Retire	FD	Fire	Not deprec
2011 Dodge Charger	10/11/2011	\$29,705.00	4	\$37,131.25	2015	\$9,282.81	GFVERF	Police	Dep schedule
2012 Dodge Charger	08/07/2012	\$23,960.00	4	\$37,000.00	2015	\$9,337.00	GFVERF	Police	Dep schedule
2012 Dodge Charger	08/07/2012	\$19,969.00	4	\$37,000.00	2015	\$9,337.00	GFVERF	Police	Dep schedule
Soft Body Armor	03/10/2010		5	\$800.00	2015	\$800.00	PD	Police	Not deprec
Soft Body Armor	03/10/2010		5	\$800.00	2015	\$800.00	PD	Police	Not deprec
Soft Body Armor	03/10/2010		5	\$800.00	2015	\$800.00	PD	Police	Not deprec
Soft Body Armor	09/01/2009		5	\$800.00	2015	\$800.00	PD	Police	Not deprec
Kubota Mower #F3080	07/07/2009	\$17,968.00	6	\$22,460.00	2015	\$3,743.33	GFVERF	Public Works	Dep schedule
2010 John Deere Gator	05/01/2011	\$11,538.00	5	\$14,422.50	2015	\$2,884.50	GFVERF	Public Works	Dep schedule
2010 Chevy HHR	02/16/2010	\$15,199.00	7	\$18,998.75	2016	\$2,714.11	GFVERF	Building	Dep schedule
EUI1000 watt Honda Gen	02/09/2012	\$1,960.24	5	\$2,450.30	2016	\$490.06	GFVERF	Fire	Dep schedule
Turn Out Gear Berry P	09/01/2007		10	\$3,600.00	2016	\$3,600.00	FD	Fire	Not deprec
Turn Out Gear Cairns Powell	02/01/2007		10	\$3,600.00	2017	\$3,600.00	FD	Fire	Not deprec
UTV Polaris Ranger 800	04/01/2013	\$11,995.00	4	\$14,993.75	2016	\$3,748.44	GFVERF	Police	Dep schedule
2014 Dodge Charger	09/03/2013	\$23,715.00	4	\$43,624.00	2016	\$10,906.00	GFVERF	Police	Dep schedule
2014 Dodge Charger	09/03/2013	\$34,899.00	4	\$43,624.00	2016	\$10,906.00	GFVERF	Police	Dep schedule
Soft Body Armor	07/23/2012	\$750.00	5	\$800.00	2016	\$0.00	PD	Police	Not deprec
Soft Body Armor	07/23/2012	\$750.00	5	\$1,400.00	2016	\$0.00	PD	Police	Not deprec
Soft Body Armor	07/23/2012	\$750.00	5	\$1,400.00	2016	\$0.00	PD	Police	Not deprec
KatoLite Gen 40KW	06/18/2007	\$39,500.00	10	\$49,375.00	2016	\$4,938.00	UVERF	Water/Sewer	Dep schedule
2012 Ford F-250 Utility Truck	08/28/2012	\$32,798.00	5	\$40,997.50	2016	\$8,199.50	UVERF	Water/Sewer	Dep schedule
2008 Ford Emergency	09/09/2008	\$87,151.00	10	\$108,938.75	2017	\$10,893.88	GFVERF	Fire	Dep schedule
2013 Ford F150	09/03/2013	\$16,504.00	5	\$20,630.00	2017	\$4,126.00	GFVERF	Public Works	Dep schedule

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E1 Quint Ladder Truck	06/21/1905	\$367,000.00	20	\$458,750.00	2018	\$8,572.00	GFVERF	Fire	Dep schedule
Turn Out Gear Extra	08/01/2008		10	\$3,600.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	08/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	07/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	10/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	10/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	11/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	11/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	10/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	11/01/2004		15	\$2,500.00	2018	\$0.00	FD	Fire	Not deprec
2008 John Deere 5103S	07/11/2008	\$20,168.00	10	\$25,210.00	2018	\$2,521.00	GFVERF	Public Works	Dep schedule
2008 John Deere Rotary Cut	07/11/2008	\$2,076.00	10	\$2,595.00	2018	\$259.50	GFVERF	Public Works	Dep schedule
John Deer 1435 Mower	08/06/2013	417,355.88	6	\$21,694.85	2018	\$3,615.80	GFVERF	Public Works	Dep schedule
KatoLite 100 KW Gen	08/12/2008	\$51,450.00	10	\$64,312.50	2018	\$6,431.25	UVERF	Water/Sewer	Dep schedule
KatoLite 150KW Gen	02/17/2009	\$67,500.00	10	\$84,375.00	2018	\$8,437.50	UVERF	Water/Sewer	Dep schedule
2014 Chevy Tahoe	03/01/2004	\$30,686.00	6	\$38,357.50	2019	\$6,392.92	GFVERF	Fire	Dep schedule
Self Contained Breathing	09/01/2005		15	\$2,500.00	2019	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	07/01/2005		15	\$2,500.00	2019	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	07/01/2005		15	\$2,500.00	2019	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	07/01/2005		15	\$2,500.00	2019	\$0.00	FD	Fire	Not deprec
2010 Model L39 Kubota	08/13/2010	\$34,700.00	10	\$43,375.00	2019	\$4,337.50	GFVERF	Public Works	Dep schedule
2011 Honda Power Unit	11/14/2011	\$19,355.49	10	\$24,194.36	2020	\$2,419.44	GFVERF	Fire	Dep schedule
Self Contained Breathing	05/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	03/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	03/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	05/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	05/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	05/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	05/01/2006		15	\$2,500.00	2020	\$0.00	FD	Fire	Not deprec
Self Contained Breathing	11/22/2011	\$19,814.00	10	\$24,767.50	2020	\$2,476.75	GFVERF	Public Works	Dep schedule

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2011 Kohler Generator	12/15/2011	\$36,220.57	10	\$45,276.00	2020	\$4,528.00	GFVERF	Administration	Dep schedule
Self Contained Breathing	07/01/2007		15	\$2,500.00	2021	\$0.00	FD	Fire	Not deprec
2012 Hudson HTDG Trailer	08/10/2012	\$10,690.00	10	\$13,362.50	2021	\$1,336.25	UVERF	Water/Sewer	Dep schedule
Turn Out Gear Janesville Berry A	01/01/2014		10	\$3,600.00	2024	\$0.00	FD	Fire	Not deprec
Turn Out Gear Fire Dex Callahan	08/01/2013		10	\$3,600.00	2023	\$0.00	FD	Fire	Not deprec
Turn Out Gear Fire Dex Farish	03/01/2013		10	\$3,600.00	2023	\$0.00	FD	Fire	Not deprec
Turn Out Gear Janesville Griffin	03/01/2013		10	\$3,600.00	2024	\$0.00	FD	Fire	Not deprec
Turn Out Gear Fire Dex Hoff	05/01/2013		10	\$3,600.00	2023	\$0.00	FD	Fire	Not deprec
2012 Thompson Pump	10/29/2012	\$42,878.79	10	\$53,598.48	2022	\$5,398.85	UVERF	Water/Sewer	Dep schedule
Turn Out Gear Janesville Dennis	02/01/2014		10	\$3,600.00	2024	\$0.00	FD	Fire	Not deprec
Turn Out Gear Conley	01/31/2013	\$3,316.00	10	\$3,647.60	2023	\$0.00	FD	Fire	Not deprec
Turn Out Gear	08/29/2013	\$2,236.00	10	\$2,459.60	2023	\$0.00	FD	Fire	Not deprec
2006 Sutphen 1403	06/01/2006	\$294,000.00	20	\$367,500.00	2025	\$18,375.00	GFVERF	Fire	Dep schedule
Pumper Truck	03/25/2014	\$241,664.52	20	\$302,080.65	2028	\$15,104.03	GFVERF	Fire	Dep schedule
2011 Unicus III BA Comp	11/10/2011	\$38,892.48	20	\$48,615.60	2030	\$2,430.78	GFVERF	Fire	Dep schedule
Glock 40 Caliber S&W Serial # YDL293	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL294	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL295	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL296	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL297	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL298	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Glock 40 Caliber S&W Serial # YDL299	02/25/2015	\$357.00	10	\$392.70	2025	\$0.00	PD	Police	Not deprec
Cameras	01/30/2014	\$51,218.66	10	\$64,023.33	2024	\$0.00	PD	Police	Not deprec
Radio	11/30/2012	\$63,659.23	10	\$79,574.04	2022	\$0.00	FD	Fire	Not deprec

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 \$51,489,220, the legal debt margin for the Town of Edisto Beach is \$4,119,137. 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 2015. The Town maintained an A++ rating for General Obligation Bond 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). Allocation of the funds is specified under Title 6, Section 4 of the South Carolina Code of Laws. 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.

A seven member advisory board appointed by the Council is required to make recommendations if more than \$50,000 is received for the ATAX 65% Fund. The seven-member board must consist of at least two members from the hospitality lodging industry, two members at-large, two members from the hospitality industry and one member to represent cultural organizations.

The Town of Edisto Beach designated the Chamber of Commerce to manage and direct expenditures of the ATAX 30% monies according to an Ordinance adopted on July 11, 1985, as amended September 10, 1988, to the provisions of the Code of Laws of South Carolina §12-35-710, et seq. The Chamber submits its budget to the Council for approval.

The ATAX 65% allocations are decided by the board and approved by Town Council. The fund balance is \$234,745. The projected income for FY 2014-15 ATAX 65% is \$217,100.

Budget Comparison	FY 11-12	FY 12-13*	FY13-14	FY14-15**	FY15-16	% Change
ATAX General Fund	39,711	37,882	41,925	46,000	41,700	-9.3
ATAX 30% Fund	88,267	77,295	101,550	126,000	100,200	-20.4
ATAX 65% Fund	191,246	167,472	220,025	273,000	217,100	-20.5

*These figures are falsely low as some ATAX funds were incorrectly sent to someone other than Edisto Beach.

** These figures are falsely elevated from receipt of ATAX funds received from FY12-13.

Fiscal Year 2015-16 encumbered and special projects are listed below:

ATAX 65%	Project	Amount
Current Balance		352,524
Revenues FY 2015-16		217,100
PY Encumbered	Police Department Digital Cameras	(179)
PY Encumbered	Police Department Beach Patrol	(4,344)
PY Encumbered	Chamber Marketing	(12,000)
PY Encumbered	Chamber Marketing (Off Season)	(35,000)
PY Encumbered	Edisto Eats	(1,473)
PY Encumbered	Bell Bond Debt	(50,000)
	Ending Balance	466,628

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 \$36,164. 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	FY 11-12	FY 12-13	FY13-14	FY14-15	FY15-16	% Change
Alcohol Permitting	14,850	11,050	12,150	13,500	12,000	-11

Fiscal Year FY2015-16 encumbered and special projects are listed below:

Alcohol Permitting	Project	Amount
Current Balance		36,164
Revenues FY 2015-16		12,000
PY Encumbered	Ditch Cleaning	(10,999)
PY Encumbered	Bill Fish Tournament	(2,000)
PY Encumbered	Bill Fish Tournament	(3,580)
	Ending Balance	31,585

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

Town of Edisto Beach, South Carolina

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separate fund and used for specified tourism related purposes. The Town enacted the Local Accommodations Tax Ordinance on May 14, 1998. The fund balance is \$1,978,774 of which \$1,418,375 has been designated for future beach nourishment. The projected income for FY 2015-16 is \$360,000. Administration anticipates beach nourishment activities will utilize the majority of this funding source for the next two years.

Budget Comparison	FY 11-12	FY 12-13	FY13-14	FY14-15	FY15-16	% Change
Local Accommodations	311,261	325,905	367,960	390,000	360,000	-7.6

Fiscal Year 2015-16 encumbered and special appropriations are listed below:

Local Accommodations	Project	Amount
Current Balance		1,978,774
Revenues FY 2015-16		360,000
PY Encumbered	Beach Preservation (Bank)	(1,418,375)
PY Encumbered	Beach Preservation	(200,000)
PY Encumbered	Beach Monitoring	(38,764)
PY Encumbered	Beach Nourishment Permitting (CSE)	(199,501)
PY Encumbered	Groin No. 1 Repair	(20,000)
FY2015-16	Bell Bond Debt	(50,000)
	Ending Balance	412,134

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 \$466,990. The projected revenues for FY 2015-16 are \$170,000. Fifty percent of the revenues from hospitality taxes are transferred into the general fund for tourism related town services.

Budget Comparison	FY 11-12	FY 12-13	FY13-14	FY14-15	FY15-16	% Change
Hospitality	153,221	162,478	166,607	170,000	170,000	0

Fiscal Year 2015-16 encumbered and special appropriations are listed below:

Hospitality Fee	Project	Amount
Current Balance		466,990
Revenues FY 2015-16		170,000
PY Encumbered	Code Red	(5,000)
PY Encumbered	Beach Walkover repair	(2,953)
PY Encumbered	Litter 174*	(5,886)
FY2015-16	Bell Bond Debt	(25,000)
FY 2015-16	General Fund	(85,000)
	Ending Balance	513,151

*Councilwoman Smyer is seeking donations for litter pickup on 174 for FY2015-16

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 \$596,168. The projected revenue for FY 2015-16 is \$179,179.

Depreciation Schedule

General Fund Vehicle/Equip Replacement Schedule	
General	11,403
Police	54,520
Fire	77,006
Bldg.	7,940
Public Works	28,310
Annual Total	179,179

For Fiscal Year 2015-16, the Police Department depreciation decreased because replacement was lengthened from 4 to 5 years. The Building Department depreciation increased because a vehicle was replaced that had been fully depreciated. The Police Department camera system and radio are not included in the depreciation schedule and replacement is subject to either grant funding or one-time funding.

Fiscal Year 2015-16 encumbered and special appropriations are listed below:

Vehicle Equipment Fund	Description	Amount
Current Balance		596,168
General Fund	Depreciation	11,403
Police Department	Depreciation	54,520
Fire Department	Depreciation	77,006
Building Department	Depreciation	7,940
Public Works	Depreciation	28,310
FY 2015-16-PD	Replace 2010 Dodge Charger 2B3AA4CT2AH161527 (This was scheduled to be replaced last year, but had low mileage. Replace at 100,000 miles). Ford Escape-all wheel drive	(37,000)
FY 2015-16-PD	Replace 2011 Dodge Charger 2B3CL1CT3BH599976. Replace after 100,000 miles with Ford Escape-all wheel drive	(37,000)
FY2015-16-PW	Replace 1994 John Deere 1070 Tractor	(21,875)
FY2015-16-PW	Replace 12 foot 2002 Utility Trailer	(1,317)
FY2015-16-PW	Replace Sweeper/broom attachment	(8,860)
Ending Balance		669,295

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 \$519,353. The revenue for FY 2015-16 is \$42,460.

Depreciation Schedule

Utilities Vehicle/Equip Replacement	

Water Vehicle/Equip. Replacement Fund	21,975
Sewer Vehicle/Equip. Replacement Fund	20,485
Annual Total	42,460

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

Vehicle Equipment Fund	Description	Amount
Current Balance		519,353
Water Fund	Depreciation	21,975
Sewer Fund	Depreciation	20,485
Ending Balance		561,813

Water System Renewal and Replacement Fund

This fund was established to replace and renovate items in the water system. The current fund balance is \$240,439. The projected revenue for FY 2015-16 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		240,439
Revenues FY 2015-16		140,000
PY Encumbered	Jungle Shores Water Extension	(225,000)
PY Encumbered	Water System Improvement (Phase I)	(97,653)
Ending Balance		57,786

Sewer System Renewal and Replacement Fund

This fund was established to replace and renovate items in the sewer system. The current fund balance is \$203,205. The projected revenue for FY 2015-16 is \$100,000. The sewer rates were increased by 5% in FY2014-15 to provide additional funding in R&R.

Sewer System R&R	Description	Amount
Current Balance		203,205
Revenues FY 2015-16		100,000
PY Encumbered	Lift Station Bay Point	(30,000)
PY Encumbered	Lift Station Pompano	(55,000)
PY Encumbered	B Generator	(10,000)
PY Encumbered	Hydraulic Evaluation	(5,820)
Ending Balance		202,385

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 (\$19,749) 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		19,749
Revenues FY 2015-16		0
PY Encumbered	Electrical	(10,849)
PY Encumbered	Stage Design	(8,218)

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 \$13,736.

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 \$52,693. 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. The fund balance is \$35,722 of which \$14,042 is for Jungle Shore engineering and \$21,680 for valve replacement.

Construction Fund

Sewer Capital Improvements	Estimated	Actual	Difference	Notes
Preliminary Engineering Report	\$ -	\$ -		Moved to Sewer R&R \$50,000
Upgrade Control Panels				
Wastewater TX Plant	\$ 10,890.00	\$ 10,890.00	\$ -	
Waterfront	\$ 9,800.00	\$ 9,800.00	\$ -	
Pompano	\$ -	\$ -	\$ -	
Aerators	\$ 12,582.98	\$ 12,582.98	\$ -	Aqua Aerobic
VFD Lift Station B	\$ 5,700.00	\$ 5,700.00	\$ -	
Force Main Docksite Road	\$ -			Moved to Sewer R&R
<i>Subtotal</i>	\$ 38,972.98	\$ 38,972.98	\$ -	

Water Capital Improvements	Estimated	Actual	Notes
Point Street Upgrades	\$ 246,056.50	\$ 246,056.50	\$ -
6" and 8" valve replacements	\$ 110,642.00	\$ 88,960.00	\$ 21,682.00
Jungle Shores Upgrades	\$ 33,850.00	\$ 19,813.00	\$ 14,037.00
Upgrade Existing SCADA	\$ -	\$ -	
<i>Subtotal</i>	\$ 390,548.50	\$ 354,829.50	\$ 35,719.00

Total \$ 429,521.48 \$ 393,802.48 \$ 35,719.00

Interest to date: \$ 439.69 May-15

Civic Center Fund

Town Council entered into an agreement with Colleton County to manage the operation of the Civic Center. A new fund was established to account for revenues and expenditures of this new venture. The Town anticipates direct assistance from Colleton County in the amount of \$45,930. The Town anticipates receiving \$12,000 in revenues. Expenditures are budgeted for \$57,930. As this is a new account and rental revenues are unknown as this time, this fund will need to be modified until there is some historical data collected. The Town hopes to lease several rooms in the facility to provide a steady flow of income so the rest of the facility can be utilized at a minimum cost.

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

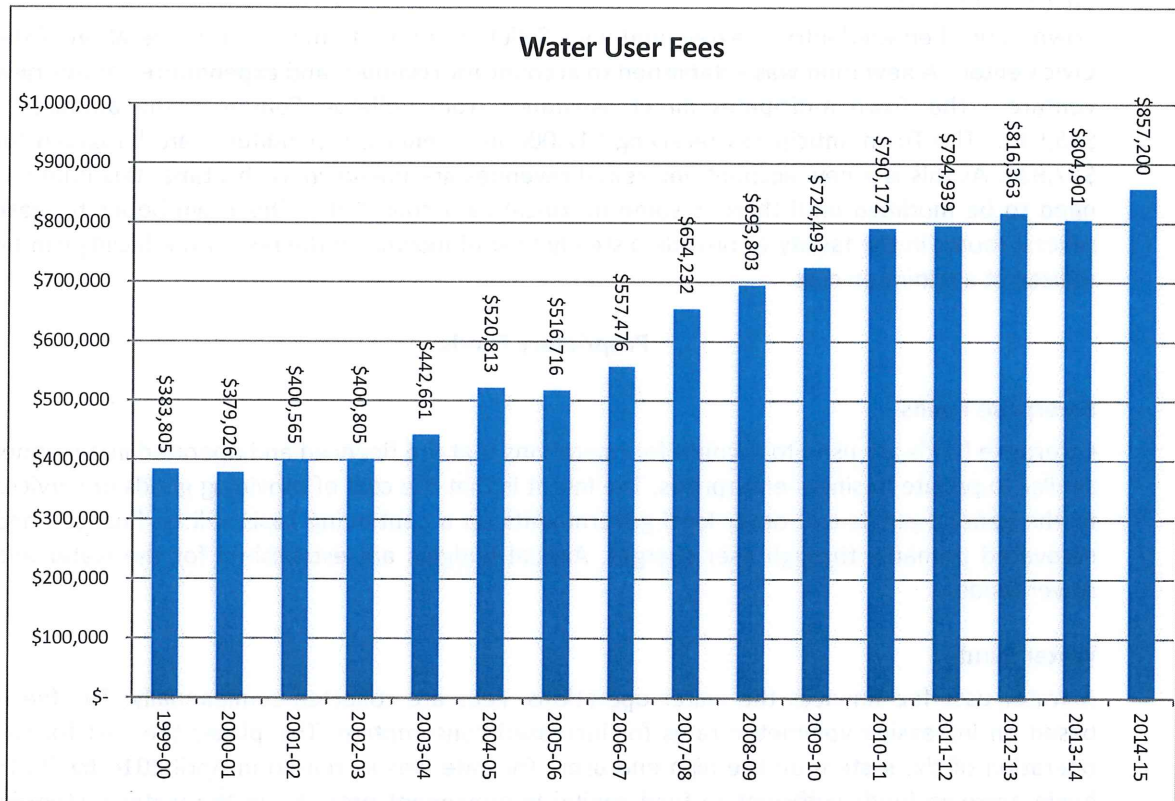
A water user fee finances the water operations. Fees are collected semiannually. The fee is based on increasing volumetric rates for increased consumption. This places the cost for the operation of the system on the high end user. The rate was increased in April 2014 by 5% to begin accruing funds sufficient 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 2011/12 Actual	FY 2012/13 Actual	FY 2013/14 Budget	FY2014/15 Budget	FY 2015-16 Recommended	Increase/ Decrease
Appropriated Prior Year	-	-	-	-	150,000	150,000
Transfer from R & R	-	-	-	-	-	-
Construction Fund	-	-	-	143,685	-	(143,685)
Water System User Fee	794,939	816,363	804,901	857,200	857,200	-
Tap in Fee	3,000	4,350	7,250	3,500	3,500	-
Reconnect Fee	1,800	2,110	1,350	2,000	2,000	-
Penalty	4,998	5,269	4,594	5,000	5,000	-
Interest Income	2,466	2,173	1,808	1,850	2,000	150
Bonded Interest Income	8	33	10	-	-	-
Miscellaneous Income	83	5,699	1,600	750	750	-
						-
Subtotal Water	863,294	835,995	821,513	1,013,985	1,020,450	6,465

The chart below depicts the historical progression of water 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 FY2015-16. 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 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. This phase of the project has come to fruition and Council selected a group of firms to work on providing a sequential phased approach to address water quality and quantity.

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

Town of Edisto Beach, South Carolina

FY 2015-16 Budget

Water Fund By Line Item						
	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Budget	FY2015-16 Budget	Increase (Decrease)
Salaries and Wages	164,098	160,326	175,112	181,600	187,100	5,500
Mayor/Council	2,880	2,880	2,880	2,880	3,840	960
Retirement System	15,579	17,188	18,624	19,900	20,700	800
Payroll Taxes	13,354	12,984	14,234	15,293	15,600	307
Def Comp Expense	190	198	239	247	247	-
Printing/Office Supplies	1,127	736	1,220	1,000	1,000	-
Janitorial Service	360	390	428	420	420	-
Postage	2,633	1,488	1,071	1,900	1,000	(900)
Membership dues	877	799	1,020	700	700	-
Meetings & training	2,382	3,859	2,653	4,000	4,000	-
Electricity	41,245	45,388	46,219	55,150	55,150	-
Telephone	3,303	4,292	3,829	4,500	5,000	500
Maintenance Contracts	1,311	774	1,793	2,300	2,000	(300)
VCR3	3,371	2,945	4,680	5,220	5,227	7
Prof Fees/Audit, Misc	1,500	18,121	3,887	2,100	2,100	-
Custodian fees	1,616	1,000	1,185	1,625	1,625	-
Insurance General	14,168	13,245	14,235	16,706	17,159	453
Health Insurance Expense	18,076	18,948	22,302	25,425	25,000	(425)
Insurance Auto	2,114	1,641	1,356	1,226	1,350	124
Bank Charges	2,287	109	27	100	100	-
Misc Expense	517	86	627	500	500	-

Town of Edisto Beach, South Carolina

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Veh Gas & Oil	7,884	7,522	7,790	10,000	10,000	-
Veh Repair & Maintenance	1,194	2,857	1,345	1,500	1,500	-
DHEC User Fee	15,477	17,683	17,918	18,000	18,000	-
Uniforms	234	396	842	1,000	1,000	-
GWS Maintenance Agreement	16,540	17,765	17,765	17,800	17,800	-
Sys Repair Maintenance	26,600	16,319	21,664	25,000	25,000	-
Sys Supplies & Sm Tools	1,485	4,201	4,819	4,500	5,000	500
Meters & meter supplies	11,423	11,718	9,836	12,000	12,000	-
Chemicals	30,560	23,341	23,138	30,000	30,000	-
Lab Tests	3,232	3,323	3,235	3,500	3,500	-
Equipment Purchases	1,108	1,647	1,084	1,500	1,500	-
Equipment Repair	1,684	3,017	1,863	3,000	3,000	-
Pipe, Hydrants Connections	2,790	4,913	2,450	5,000	5,250	250
99 W.S. Rev Bond	55,531	54,325	53,794	88,360	87,919	(441)
Office Machines/Software	709	540	646	800	800	-
Complex Bldg Maintenance	219	110	109	500	500	-
Pagers & Communication	2,422	2,353	2,951	3,000	2,500	(500)
Radio Purchase & Repair	-	-	-	500	500	-
Building Maintenance	1,215	1,404	3,335	1,000	1,000	-
Legal Fees	3,176	4,104	2,777	4,000	4,000	-
Subtotal	476,471	484,635	494,983	573,752	580,587	6,835

Water Department Other	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Increase

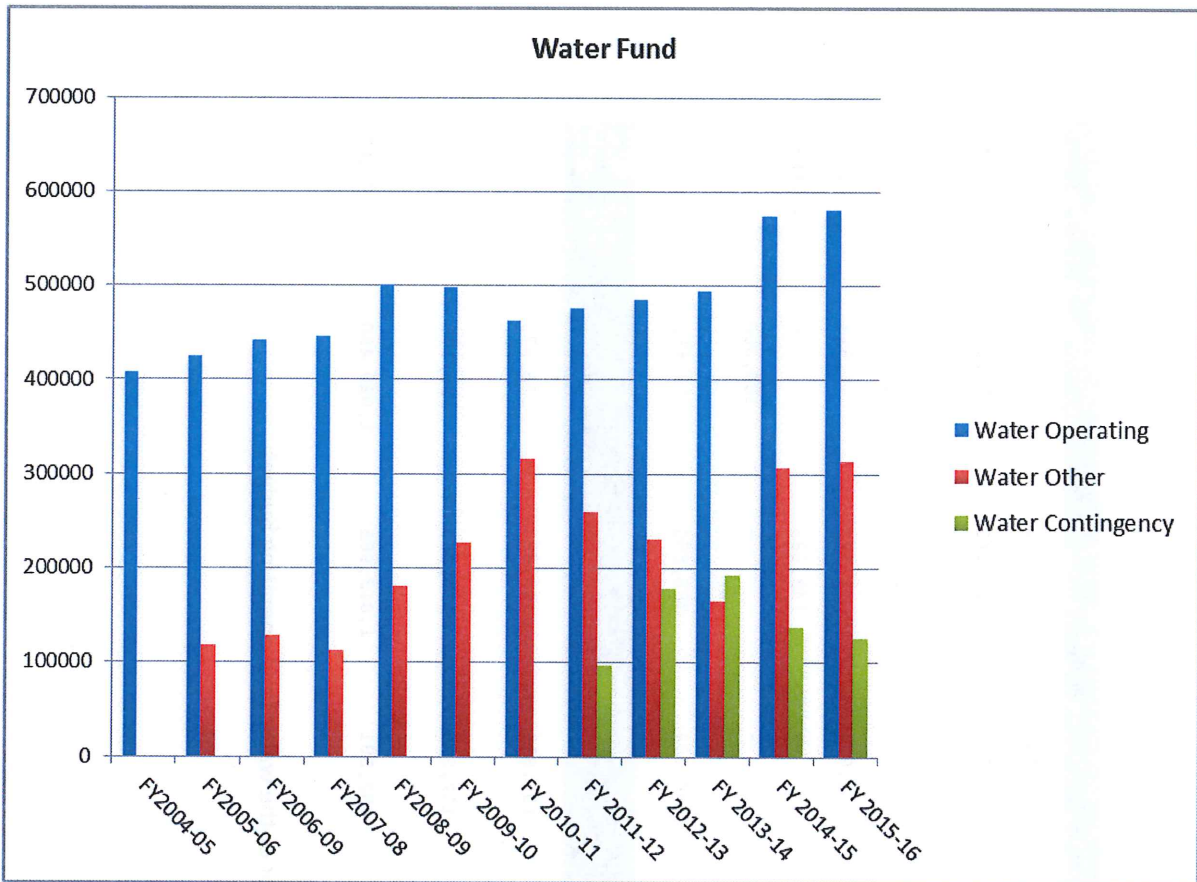
Town of Edisto Beach, South Carolina

FY 2015-16 Budget

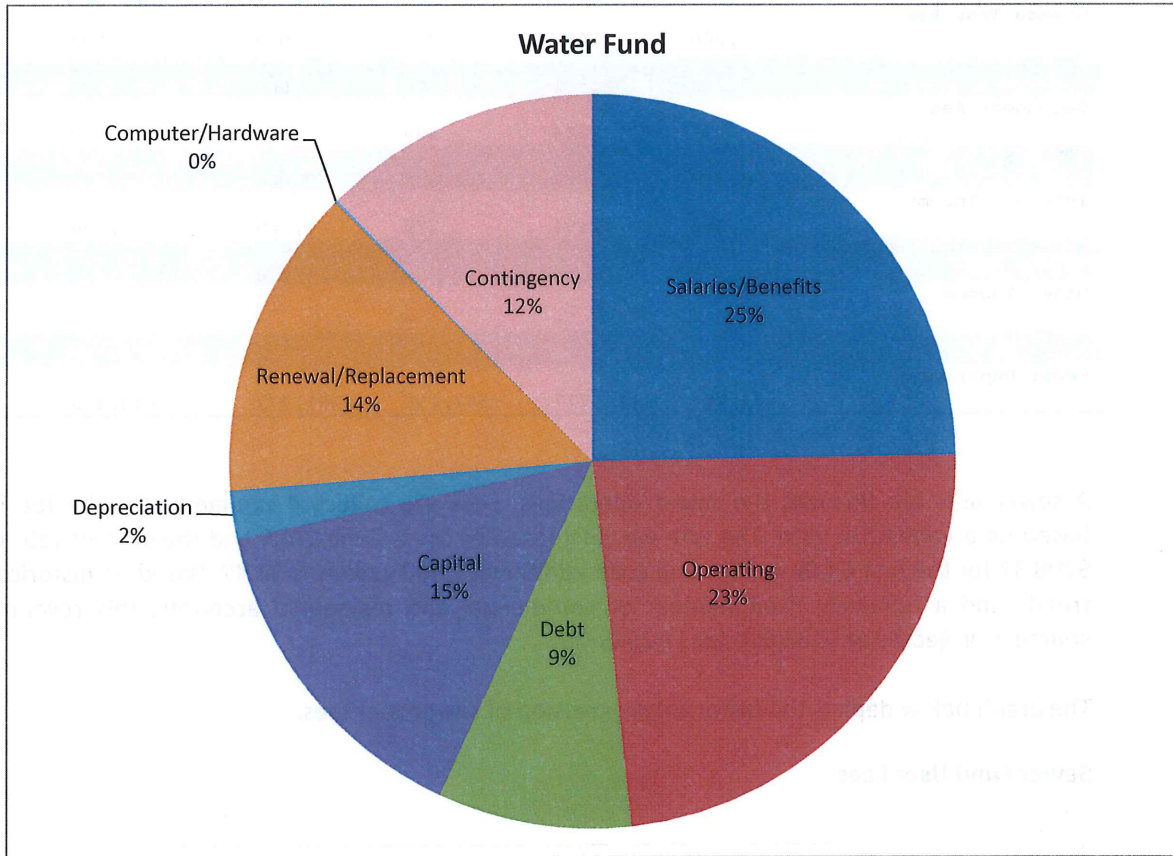
	Actual	Actual	Actual	Budget	Budget	(Decrease)
Amortization Expense	7,733	10,504	6,347	-	-	-
Equip/Veh Depreciation	41,653	35,602	31,966	21,145	21,975	830
Depreciation Expense	117,654	117,086	125,317	-	-	-
Renewal/Replacement	65,792	65,792	-	140,000	140,000	-
Computer Hardware/Software	1,406	2,281	1,074	1,720	1,513	(207)
Construction Fund Expenses	-	-	-	143,685	-	(143,685)
CIP Miscellaneous	25,934	-	-	-	150,000	150,000
Subtotal	260,172	231,265	164,704	306,550	313,488	6,938
Water Contingency						
	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Budget	FY2015-16 Budget	Increase (Decrease)
	97,282	238,585	192,895	133,683	126,375	(7,308)
Subtotal	97,282	238,585	192,895	133,683	126,375	(7,308)
WATER FUND TOTAL	833,925	954,485	852,581	1,013,985	1,020,450	6,465

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-eight percent of the total budget is directly spent on operations. Nine percent of the total budget goes towards revenue bond debt.



Water Fund Budget Highlights

The water fund total budget is \$1,020,450. This includes contingency of \$126,375 and debt service of \$87,919 in principal and interest payments. Budget highlights are indicated in the table below.

Funding Source	Description	Amount
Water User Fees	½ cost of 5% merit increase for Utilities Director	1,967
Water User Fees	Replace Computers	1,513
CIP Miscellaneous	Jungle Shores Water Line Extension	150,000
Total		153,480

Accrued prior year funds are \$1,360,328.

Sewer Fund

Sewer Fund Revenues

Revenue	2011-12	2012-13	2013-14	2014-15	2015-16	Increase
	Actual	Actual	Actual	Budget	Proposed	(Decrease)
Approp Prior Year	-	-	39,735	20,000	20,000	-
Transfer from R&R	-	-	-	-	-	-
Construction Fund	-	-	32,090	-	-	-

Town of Edisto Beach, South Carolina

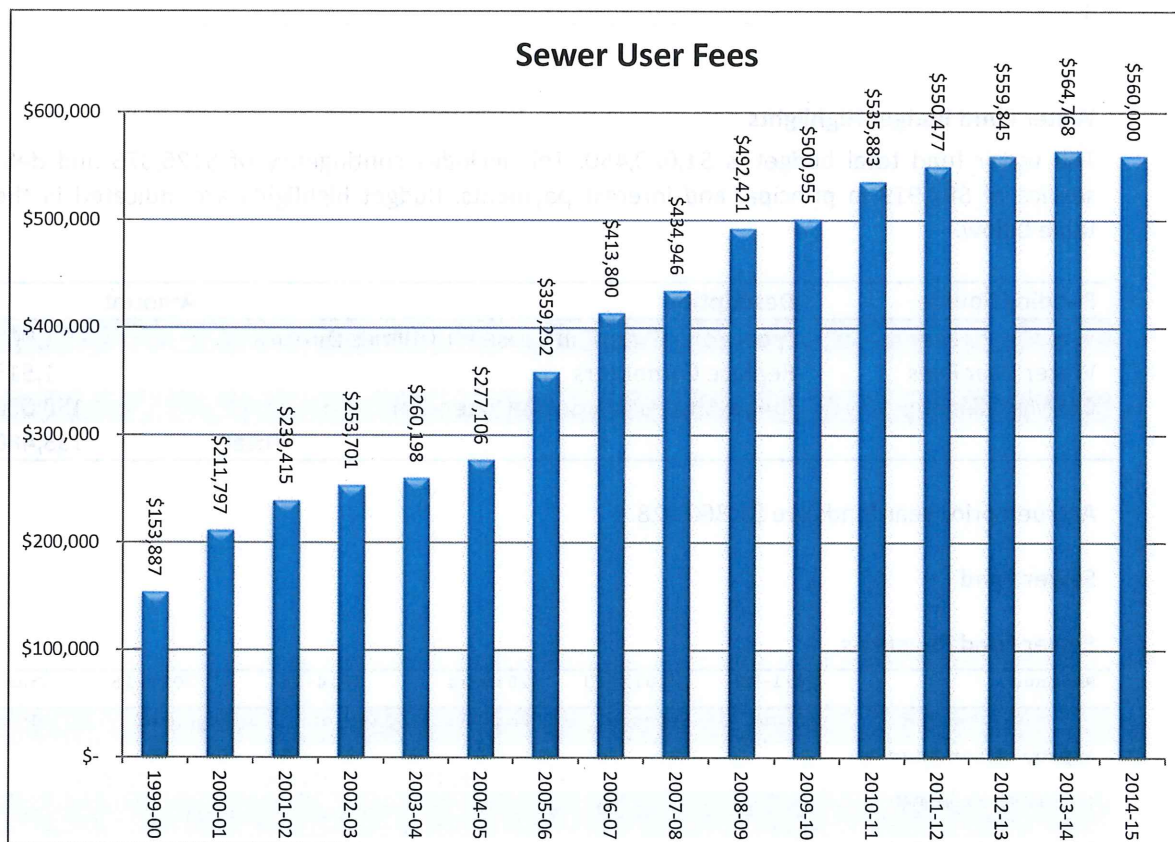
FY 2015-16 Budget

Sewer System User Fee	550,477	559,845	564,768	560,000	588,000	28,000
Grease Trap Fee	2,000	2,000	2,000	2,000	2,000	-
Tap in Fee	7,500	2,500	5,000	5,000	5,000	-
Reconnect Fee	450	324	400	300	300	-
Penalty	3,142	2,914	2,379	3,000	3,000	-
Interest Income	1,297	1,194	779	1,000	1,000	-
Miscellaneous Income	-	-	-	173	-	(173)
Other Income	-	-	-	-	-	-
Sewer Department	564,866	568,777	647,151	591,473	619,300	27,827

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 June 2015 and the current rate is \$208.37 for the first 6,000 gallons and each additional 1,000 gallons is \$3.47. Based on historical trends and a relatively fixed number of commercial and residential accounts, this revenue source is projected at \$588,000 for FY 2015-16.

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

Sewer Fund User Fees



The Sewer Fund total budget is \$619,300. This includes a contingency of \$57,559.

Accrued prior year funds are \$679,690.

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

Sewer Fund By Line Item							
Sewer Department	10-11 Actual	11-12 Actual	12-13 Actual	13-14 Actual	14-15 Budget	15-16 Budget	Increase (Decrease)
Salaries and Wages	156,091	164,098	160,327	175,112	181,630	187,100	5,470
Mayor/Council	2,880	2,880	2,880	2,880	2,880	3,840	960
Retirement system	14,634	15,578	17,187	18,623	19,900	20,700	800
Payroll Taxes	12,670	13,353	12,982	14,232	15,293	15,600	307
Def Comp Expense	195	190	198	239	247	247	-
Printing/Office Supplies	870	1,095	736	1,220	1,000	1,000	-
Janitorial Services	360	360	390	428	420	420	-
Postage	1,435	2,633	1,188	1,071	2,000	2,000	-
Membership dues	528	767	757	1,040	700	700	-
Meetings & training	2,365	764	3,542	6,446	4,000	5,000	1,000
Electricity	40,719	45,771	41,312	42,902	51,100	50,000	(1,100)
Telephone Expense	1,340	1,722	996	1,005	1,500	1,500	-
Maintenance Contracts	1,534	1,311	774	1,793	2,300	2,000	(300)
VCR3	3,743	3,371	2,945	4,680	5,220	5,227	7
Prof Fees/Audit, Misc	1,453	1,500	5,558	1,660	1,690	2,100	410
Insurance General	17,777	16,645	14,795	16,068	18,945	17,159	(1,786)
Health Insurance Expense	28,350	18,075	18,947	22,302	25,415	25,000	(415)
Insurance Auto	2,545	2,114	1,641	1,356	1,226	1,350	124
Bank Charges	62	-	15	25	100	100	-
Misc Expense	676	385	12	475	500	500	-

Town of Edisto Beach, South Carolina

FY 2015-16 Budget

Vehicle Gas & Oil	6,379	8,571	8,311	8,552	17,050	10,000	(7,050)
Veh Repair & Maintenance	385	1,191	2,696	1,264	1,500	1,500	-
DHEC User Fee	1,065	1,190	1,128	1,065	1,200	1,200	-
Uniforms	676	234	396	842	1,000	1,000	-
Sys Repair Maintenance	17,314	29,188	12,988	14,439	20,000	22,000	2,000
Sys Supplies & Sm Tools	4,731	4,880	5,437	4,996	5,000	4,500	(500)
Chemicals	11,085	12,477	8,023	7,298	13,500	12,500	(1,000)
Lab Tests	3,645	6,540	6,639	7,737	9,500	9,700	200
Equipment Purchases	1,286	2,479	2,223	2,856	3,000	3,000	-
Equipment Repair	249	2,836	4,023	4,735	4,000	4,000	-
Office Machines/Software	628	709	540	646	800	800	-
Complex Bldg Maintenance	1,190	219	110	109	500	500	-
Pagers & Communication	1,642	2,121	1,601	1,683	2,500	2,500	-
Building Maintenance	38	1,134	1,391	3,381	1,000	1,000	-
Legal Fees	3,116	3,176	63,877	2,777	4,000	4,000	-
Subtotal	343,656	369,557	406,562	375,938	420,616	419,473	1,356

Sewer Department	10-11 Actual	11-12 Actual	12-13 Actual	13-14 Actual	14-15 Budget	15-16 Budget	Increase (Decrease)
Equip/Veh Depreciation	32,461	37,292	33,614	33,280	22,460	20,485	(1,975)
Depreciation Expense	72,225	70,663	69,023	71,544	-	-	-
Renewal/Replacement	109,517	60,793	60,793	-	50,000	100,000	50,000
Computer Hardware/Software	2,558	1,406	2,281	1,074	1,720	1,513	(207)
CIP Miscellaneous	88,809	32,561	161,751	3,375	20,000	20,000	-

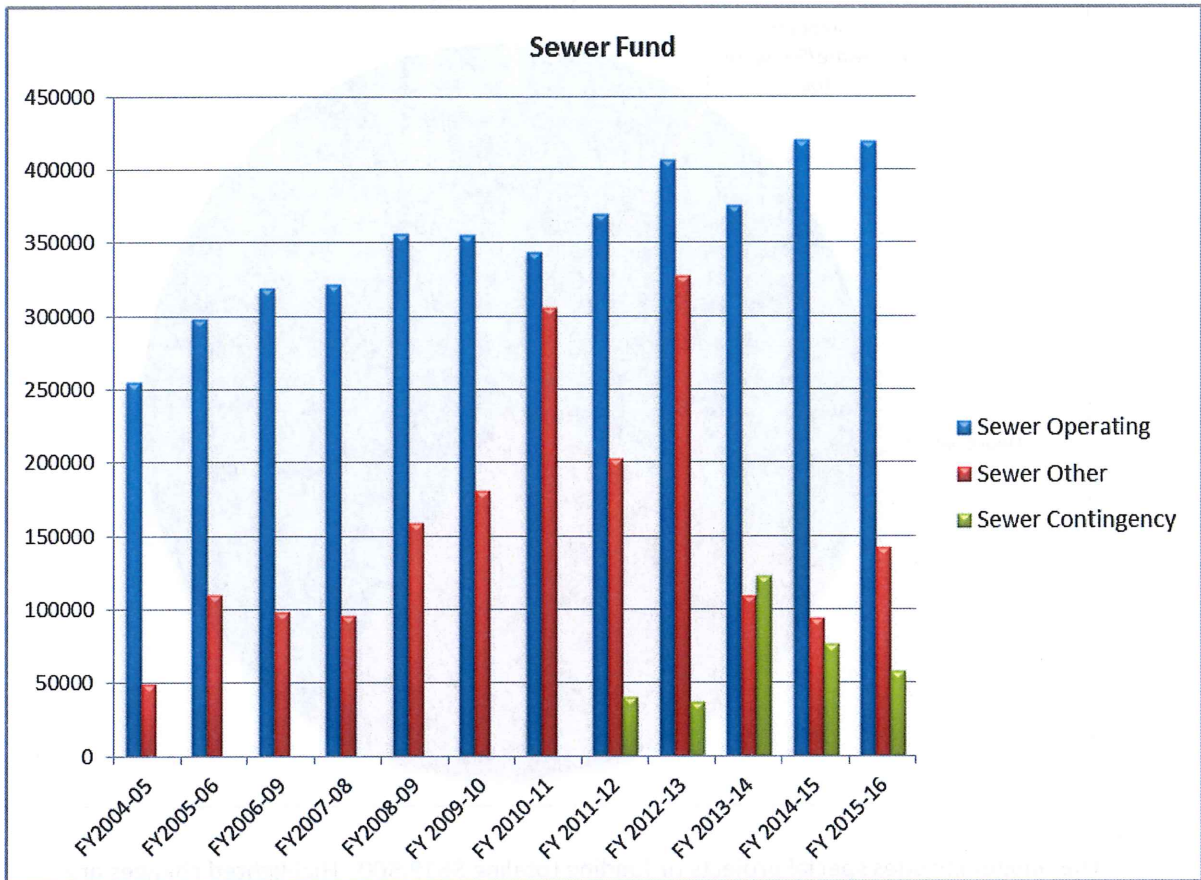
Town of Edisto Beach, South Carolina

FY 2015-16 Budget

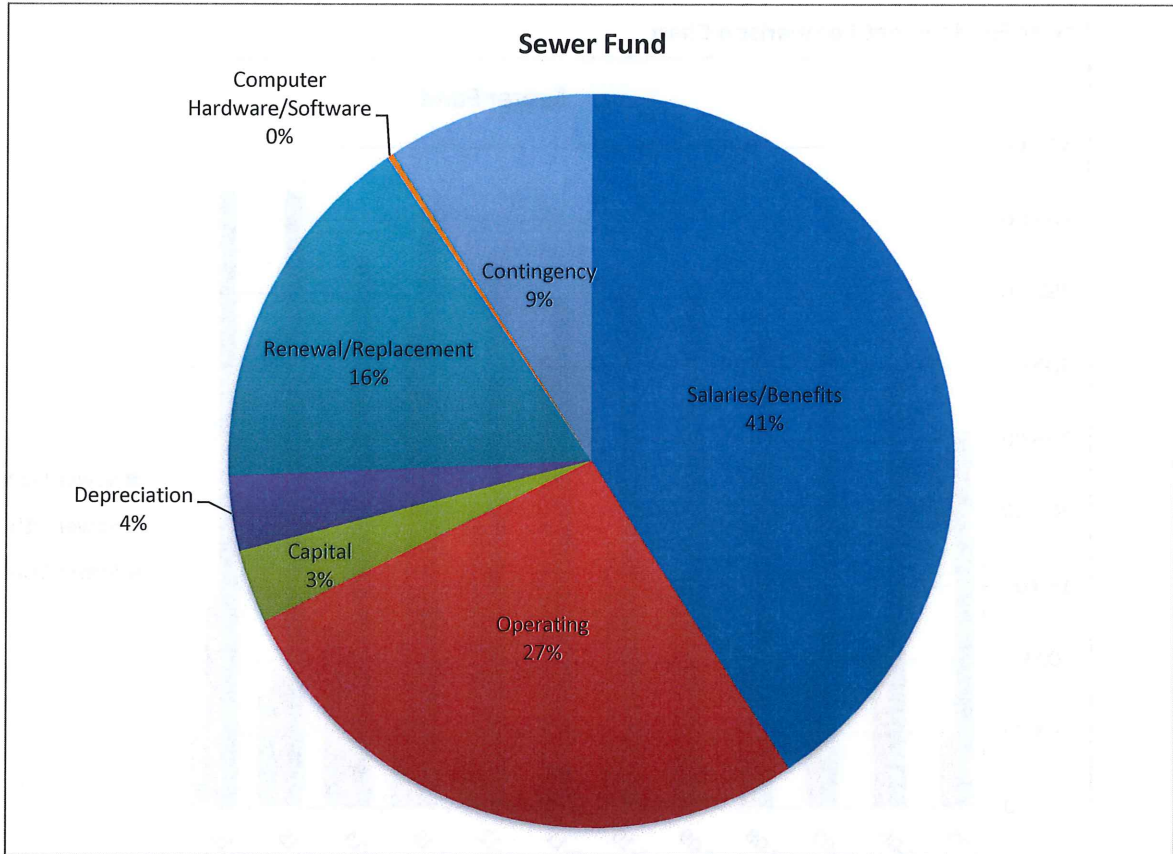
	10-11 Actual	11-12 Actual	12-13 Actual	13-14 Actual	14-15 Budget	15-16 Budget	Increase (Decrease)
Subtotal	305,570	202,715	327,462	109,273	94,180	141,998	47,818
Sewer Contingency							
	-	30,000	97,698	122,919	76,677	60,118	(16,559)
Subtotal	-	30,000	97,698	122,919	76,677	60,118	(16,559)
SEWER TOTAL FUND	649,226	602,272	831,725	608,129	591,473	619,300	27,827

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. Sixty-eight percent of the total budget is spent on operations.



The budget includes special projects or funding totaling \$619,300. Highlighted changes are listed below.

Sewer Fund Budget Highlights

Funding Source	Description	Amount
Sewer User Fees	½ cost of 5% pay Utilities Director	1,967
PY Encumbered	Rehabilitate Lift Station C	20,000
Sewer User Fees	Replace computers	1,513
Sewer User Fees	Renewal and Replacement	100,000
	Total	123,580

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.

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	WWTTP 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	\$ 55,000.00	FY 2013-14	under construction
5	Aerators	Sewer	\$ 20,096.00	FY 2014-15	Completed August 2014
6	Lift Station pump Bay Creek	Sewer	\$ 3,450.00	FY2014-15	Installed 4.7 hp sewage pump to replace used pump in ground 5 years
7	Hydraulic Evaluation of Wastewater Collection	Sewer	\$ 15,720.00	FY2014-15	Council on November 2014
8	Replace impellers A & B	Sewer	\$ 5,678	FY2014-15	Completed February 2015
8	Lift Station Bay Point	Sewer	\$ 30,000.00	FY2015-16	Complete rehab. Repaired control panel in 2013 @ \$415. Budgeted R&R
9	Lift Station Pompano	Sewer	\$ 55,000.00	FY2015-16	Complete rehab. Budgeted R&R
10	B Generator	Sewer	\$ 10,000.00	FY2015-16	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
11	Lift Station A	Sewer	\$ 70,000.00	FY2016-17	Complete rehab/new controls and generator and suction lines done
12	Lift Station Summerwinds	Sewer	\$ 59,000.00	FY2016-17	Complete rehab/Control panel done
13	Lift Station Ridge	Sewer	\$ 70,000.00	FY2017-18	Complete rehab
14	Lift Station Bay Creek	Sewer	\$ 70,000.00	FY2017-18	Complete rehab
15	Lift Station Docksite	Sewer	\$ 70,000.00	FY2017-18	Replaced control panel in 2012. Need to inspect manholes and wet well.

16	Lift Station Scott Creek	Sewer	\$ 70,000.00	FY2018-19	Replaced one pump @ \$3,664. Need to inspect manholes. Wet well ok.
17	Lift Station Lee Street	Sewer	\$ 70,000.00	FY2019-20	Complete rehab
18	Lift Station Cheehaw	Sewer	\$ 70,000.00	FY2020-21	Complete rehab
19	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.
20	Replace aerators with energy efficient lagoon masters and small aerating diffuser	Sewer	\$ 51,000.00	FY2025-26	Refer to Edisto Beach WWTP Energy Audit Report September 2014 savings of 20,000 a year
21	Front Beach Sewer	Sewer	TBD	TBD	
Subtotal			\$ 756,000.00		

Water Capital Improvement Plan							
Priority #	CIP Item Description	Category	Estimate	Year	Comments		
1	Edisto and Eddings	Water	\$ 15,000.00	FY2010-11	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	Shep 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	\$ 375,000.00	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 (225,000 and 150,000 PY)		
7	Air conditioner Wellfield for VFD Control panel	Water	\$ 7,610.00	FY2014-15	Emergency Purchase enclosure Water R & R. Completed in August 2014		
8	Upgrade Existing or replace Scada	Water	\$ -	FY2016-17	Cannot get replacement parts for current system. Installed in 2006. Included in Water System improvements		

9	Replace shut off valves	Water	\$ 110,642.00	FY2014-15	Check and replace non-functioning shut off valves 130 Valves @ 800. Budgeted in construction funds
10	Reverse Osmosis	Water	\$ 8,300,000.00	TBD	To decrease Na, Cl, FL
11	Bay Point Water Lines	Water	\$ 60,000.00	FY2016-17	Replace 2" lines with 6" lines and add hydrants for fire protection
12	Fort Street Water Lines	Water	\$ 25,000.00	FY2016-17	Replace 2" lines with 6" lines and add hydrants for fire protection
14	Automated Meter Reading	Water	\$ 600,000.00	TBD	
15	Replace Asbestos Water Lines	Water	\$ 500,000.00	TBD	Asbestos lines exist on Edisto Beach that should be replaced as lines are repaired.

Subtotal \$ 9,860,000 .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 on page 61.

Budget Highlights

FUNDS	
General Fund	3,901,730
Water Fund	1,020,450
Sewer Fund	619,300
Total	5,541,480

Some factors impacting the budget are:

General Fund Revenues:

- The Town’s total millage rate remained unchanged at 20.23 mils.

General Fund Expenditures:

- Some requested merit increases have been included. A 2% cost of living increase and other merit increases were not included and will be addressed in February 2016.
- Four positions were left unfilled in the Fire Department and are being filled by part-time firefighters.

General Fund Service Changes	Amount	Account
5% Pay for Performance Municipal Clerk + 2% COLA February 2016	3,500	4100.1010
Increase in Mayor and council members annual salary	2,880	4100.2000
Garbage Contract (Roll-in fees)	40,000	4100.5000
Computer Hardware/Software (replace 2 servers, 4 computers)	14,000	4110.6310
Capital Improvement Projects (see prior year funds below)	171,030	4110.6500
PD-Pay for Performance (salaries show no net increase)	0	4200.1010
PD-Beach Patrol	4,304	4200.2000
PD-Digital Camera System (capture cost of camera system)	3,000	4400.1010
FD- Have one FT firefighter per shift; add COLA to PT salary	9,160	4400.3500
FD-Fire Engine Maintenance-Shifted to Vehicle/Equip replacement	(15,000)	4400.3150
FD-Meetings and Training (Target Solutions)	1,000	4400-3120
FD-Station Maintenance (Replace front door to match PD door)	4,000	4400.4000
PW-Public Signs (Continue replacing street signs)	3,000	4700.9060
Bldg-Meetings and Training (International Code Council)	2,800	4800.3120

Prior Year Funds	Amount
Coat, seal and restripe parking lot	4,550
Replace three fire hydrants	6,480
Bay Creek Park Stage over retention pond	113,332
Total	124,362

Fund Contingencies	
General Fund	90,830
Water Fund	126,375
Sewer Fund	57,559

Accrued Prior Year Funds	
General Fund	2,967,045
Water Fund	1,360,328
Sewer Fund	679,690

General Fund & Special Appropriations:

Item	Amount	Fund
PD Digital Cameras	179	ATAX 65% PY
PD Beach Patrol	4,344	ATAX 65% PY
Chamber Marketing	12,000	ATAX 65% PY
Chamber Marketing (Off Season)	35,000	ATAX 65% PY
Edisto Eats	1,473	ATAX 65% PY
Ditch Cleaning	10,999	Alcohol Permitting PY
Bill Fish Tournament	2,000	Alcohol Permitting PY
Bill Fish Tournament (marketing)	3,580	Alcohol Permitting PY
Beach Preservation	1,618,375	Local Accommodations PY
Bell Bond Debt	175,000	Local Acc. Fund \$50,000 ATAX PY Encumbered \$50,000 Hospitality Funds \$25,000 General Fund \$50,000
Beach Monitoring	38,764	Local Accommodations PY
Beach Nourishment Permitting	199,501	Local Accommodations PY
Groin No. 1 Repair	20,000	Local Accommodations PY
Code Red	5,000	Hospitality PY
Beach Walkover Repair	2,953	Hospitality PY
Litter 174	5,886	Hospitality PY
General Fund (Tourism Related)	85,000	Hospitality
Ford Escape	37,000	Vehicle/Equipment Replacement
Ford Escape	37,000	Vehicle/Equipment Replacement
John Deere Tractor	21,875	Vehicle/Equipment Replacement
Twelve foot utility trailer	1,317	Vehicle/Equipment Replacement
Sweeper/Broom Attachment for tractor	8,860	Vehicle/Equipment Replacement

Water Fund

1. The water rates were not increased in FY2014-15

Sewer Fund

1. The sewer rates were increased in May 2015 by 5%.

Water and Sewer Fund Capital Improvements, New Services, Other

Project	Amount	Funding Source
½ Cost of pay for Utilities Director	1,967	Water User Fees
	1,967	Sewer User Fees
Rehabilitate Lift Station C	20,000	Sewer PY
Computers	1,513	Water User Fees
	1,513	Sewer User Fees
Jungle Shores Water Line Extension	150,000	Water Prior Year
Jungle Shores Water Line Extension	225,000	Water R & R
Bay Point Lift Station	30,000	Sewer R & R
Pompano Lift Station	55,000	Sewer R & R
Sewer Renewal and Replacement	<u>100,000</u>	Sewer User Fees
Lift Station B Generator	10,000	Sewer R & R
Water System Improvement (Phase I)	97,653	Water R & R
Hydraulic Evaluation	5,820	Sewer R & R

It is exciting to see what has been accomplished. I am grateful to be involved in preserving Edisto Beach and maintaining its lowcountry 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

