



Council

Joe DeVito
Mayor

Darryl Owens
Mayor Pro Tempore

Jerry Ashmore
Mary Beth Heyward
Kevin Phillips

Van Willis
Town Manager

T. Alan Beach
Chief of Police

Jeffrey S. Coppinger
Operations

Noah Krepps
Planning

**Minutes
Budget Workshop
Port Royal Town Hall, Yvonne C. Butler Council Chambers, 700 Paris Avenue
May 3, 2023**

Members Present: Mayor Joe DeVito, Council Member Darryl Owens, Council Member Jerry Ashmore, Council Member May Beth Heyward, and Council Member Kevin Phillips

Staff Present: Town Manager Van Willis, Fire Chief Tim Ogden, Police Chief Alan Beach, Police Captain Andre Massey, Director of Administrative Services Brooke Plank-Buccola, Finance Manager Chris Canaday, Town Clerk Lisa Graham

I. CALL TO ORDER

Mayor DeVito called the Budget Workshop to order at 5:30 PM.

II. DISCUSSION & REVIEW

A. Budget Workshop – Part 1

Town Manager Willis gave a brief overview of the budget. Discussed the estimated mileage for the new fiscal year. Beaufort County has projected the mill for Port Royal to be valued at \$66,571. The current mill is \$74,000 and generated \$4,926,254 in property taxes. Because of the laws governing reassessment and the windfall needs to be determined if there will be a rollback or not. In the budget there is a projection of revenue for property tax for this fiscal year at \$4,750,000 which equates to a mill of \$71,000. Port Royal is entitled to the anticipated 15% growth in reassessment. Act 388 governs how we can generate property tax revenue. It puts a cap on property value during reassessment at 15% for taxing purposes.

Based on projections created by Finance Manager Canady and what was anticipated they expect revenue to be \$9,114,300 with a surplus of almost \$19,000 in the budget. Tax rate needs to be determined.

Manager Willis mentioned Council wanting to set aside additional funds for the anticipated \$8 Million on Capital Improvement Projects over the next 3-4 years outside of ARPA funds and general obligation borrowing.

Based upon the revenue projections for this fiscal year many of the concerns that came out of the Council Retreat will be solved. Adding personnel will still need to be addressed and where the growing staff will be housed.

Council Member Phillips inquired if the state COLA was 7.5%. Manager Willis clarified that the state COLA was at 5% where the Social Security Administration has COLA at 7.65% which dropped from 8%. Finance Manager Canady factored a 5% COLA in the proposed budget.

Mayor DeVito suggested that the Capital Improvement Fund and the potential relocation of the Town Hall be a consideration in the current budget. The Local Government Investment fund is at \$5 Million.

Manager Willis mentioned that there is an ebb and flow with revenue. In years past tax anticipation notes were used. Seeing a lot of revenue in the second half of the year with tax bills and business license renewals and through the Municipal Association of South Carolina programs for telecommunication and insurance.

Legislative budget contains traditional personnel and line items. Includes the legal 5% COLA adjustment. South Carolina retirement system has a state mandated 1% increase in the employer contribution. 3.7 % increase to health care cost on the employer side. The 2022-2023 budget was \$280,063 and the proposed budget for the upcoming fiscal year is \$285,858. Projects and contributions to include Port Royal Historical Sound Foundation, Beaufort County Economic Development, MEC, LCOG military installation study, some skate park expenses, JOCO construction, cameras at the Sands, South Carolina Cyber Center Event, Music from the Manger, electric work with Eagle Electric, and annual contribution to John Parker Day. Council Member Owens asked where the contribution to the housing fund is located. Manager Willis clarified that it comes out of ARPA. There was discussion regarding Historic Port Royal Foundation asking for more contributions which can be addressed with the surplus. They are no longer selling refreshments at the Street Music Concert Series. Help of Beaufort has been asked to take their place. The formation of the Accommodation Tax Committee is to encourage tourism which would allow Historic Port Royal Foundation to request funding from them.

The Executive budget for 2022-2023 was \$1,015,703. The current budget exceeded that due to special contracts and engineering with grants. \$1,261,450 is the 2023-2024 budget. Legal was

increased from \$50,000 to \$70,000. 5% COLA was factored into the budget as well as the increase in retirement and health insurance. The Code Enforcement Officer salary was added to the Executive Budget from the Police Department. Projects and contributions increased with hiring MRB to help with grant writing. Special Contracts include annual cost with social media and website maintenance, postage, and copier cost.

The Court budget was \$164,545 for 2022-2023 and the current budget is \$201,845. Increased cost with the Public Defender's Office for Bond Court, postage, software update with LawTrac, and the Beaufort County Treasurer. Collected Court fines are considerably lower than previous years.

The Police Department budget went from \$2,862,950 to \$3,148,990 which includes the previously mentioned 5% COLA, retirement, and health cost increase. The 2023-2024 budget includes a 10% raise for command staff. Council and Staff agreed that the raise should be 5% this year and the remainder be phased in the next fiscal year.

Fire Department 2022-2023 budget was \$2,268,233 and 2023-2024 is \$2,511,103. The rooftop count went up which attributes to the increase as does the 5% COLA, retirement, and health cost. Chief Ogden stated that impact fees will be used as a down payment to secure a new fire truck. Last lease payment on the Pierce Pumper Truck.

Streets and sanitation 2022-2023 budget was \$1,823,496. The 2023-2024 budget decreased to \$1,396,426 due to Waste Pro directly billing the residents. Debt service and interest payment for the \$3 million in borrowing. Significant drop in capital expenditures. Most of the capital is funded through grants and ARPA. Spanish Moss Trail extension working with Beaufort County and Safe Harbor. Second phase of the extension will be funded through SCDOT (TAP funds) \$750-800,000 will offset the impact of the Tax Increment Finance (TIF). TIF was used for infrastructure with Port improvements. Included in the salary regular line item is the additional COLA, retirement and health cost and added personnel. Mayor DeVito asked where maintenance for the Spanish Moss Trail will be factored. Manager Willis stated that the landscape contract was adjusted to include maintenance of the Town owned portion of the trail. It was suggested that a line item be added for sidewalk and trail repair annually.

Building Budget for 2022-2023 was \$224,606 and the 2023-2024 budget is \$289,773. This includes an additional full-time employee. Potentially, another inspector to help with residential inspections now that Mike Wesson is certified for commercial inspection (Chief Building Official). Still relying on the City of Beaufort for site review. The Civic Plus software upgrade will help with in field updates.

Manager Willis closed the meeting by concluding that the Council's recommendations will be factored into next week's Budget Workshop. Adjusting departmental expenses, based on conversations this evening turning the surplus into a shortfall. Fine tuning the anticipated

revenue line items. Showing an increase in property tax collection based on the new mill value. Staying compliant with state law relative to windfall.

III. ADJOURNMENT

Mayor DeVito adjourned the meeting at 6:21 PM.

Respectively submitted,

Lisa Graham
Town Clerk

In accordance with South Carolina Code of Laws, 1976, Section 30-4-80 (a)(d)(e), as amended, notification of regular meetings was given at the beginning of the calendar year. A copy of the agenda was posted on the Town Hall's bulletin board and website www.portroyal.org twenty-four hours prior to the meeting. A copy of the agenda was given to the local news media and requested public on file.

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