

Special Ways and Means Committee Meeting
Fy20 Budget Workshop #2 – Revenues
5:00 p.m., Thursday, January 31, 2019
Council Chambers
1207 Palm Boulevard, Isle of Palms, South Carolina

AGENDA

1. Call to order and acknowledgement that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. PURPOSE

Discussion of Revenue Sources

3. Adjournment

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	CITY OF ISLE OF PALMS - REVENUE DETAIL - ALL FUNDS																
2	GL Number	Description	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	BUDGET FY19	YTD As Of 12/31/2018	Jan-Dec 2018	FORECAST FY19	INCREASE/ (DECREASE) IN FY19 BUD REV	FORECAST FY20	FORECAST FY21	FORECAST FY22	FORECAST FY23	FORECAST FY24
43	30-3450.4105	ACCOM. FEE REVENUE	886,286	1,010,882	967,728	969,974	1,069,429	996,000	505,114	1,042,654	1,043,000	47,000	1,074,290	1,106,519	1,139,714	1,173,906	1,209,123
44	30-3450.4106	COUNTY ACC. FEE REVENUE	357,191	479,813	485,093	520,000	437,000	510,000	381,000	490,250	510,000	-	525,300	541,059	557,291	574,009	591,230
45	30-3450.4111	GRANT INCOME	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-
46	30-3500.4504	SALE OF ASSETS	6,922	2,108	15,750	5,495	6,215	6,250	3,170	9,385	6,250	-	5,000	5,000	5,000	5,000	5,000
47	30-3500.4505	INTEREST INCOME	1,518	1,612	5,638	12,559	20,889	17,000	16,677	29,300	30,000	13,000	31,500	33,075	34,729	36,465	38,288
48	30-3900.4901	OPERATING TRANSFERS IN	-	4,024	-	-	-	-	-	-	-	-	-	-	-	-	-
49	30-3900.5901	OPERATING TRANSFERS OUT	(689,255)	(533,431)	(553,252)	(566,814)	(592,900)	(661,621)	-	(63,000)	(661,621)	-	-	-	-	-	-
50	35-3450.4108	HOSPITALITY TAX	619,399	686,537	694,205	746,402	785,452	770,000	352,090	787,801	788,000	18,000	811,640	835,989	861,069	886,901	913,508
51	35-3500.4504	SALE OF ASSETS	-	-	8,403	5,798	-	-	915	915	-	-	-	-	-	-	-
52	35-3500.4505	INTEREST INCOME	460	456	965	3,762	10,476	8,000	10,096	16,441	16,000	8,000	16,800	17,640	18,522	19,448	20,421
53	35-3900.5901	OPERATING TRANSFERS OUT	(220,726)	(229,436)	(280,629)	(274,162)	(261,330)	(530,651)	-	(126,694)	(530,651)	-	-	-	-	-	-
54	40-3450.4120	VFD 1% REBATE	149,178	166,540	165,374	152,063	148,224	148,000	142,608	142,608	143,000	(5,000)	143,000	143,000	143,000	143,000	143,000
55	40-3500.4505	INTEREST INCOME	13	18	21	22	20	25	11	20	25	-	25	25	25	25	25
56	50-3450.4105	ACCOMMODATION TAX-RELATED	1,078,259	1,111,010	1,129,474	1,168,660	1,205,838	1,192,750	546,269	1,234,080	1,234,000	41,250	1,271,020	1,309,151	1,348,425	1,388,878	1,430,544
57	50-3450.4107	ACCOMMODATION TAX-PROMO	497,658	512,774	521,296	539,382	556,541	550,500	252,124	569,575	570,000	19,500	587,100	604,713	622,854	641,540	660,786
58	50-3500.4501	MISCELLANEOUS INCOME	6,500	1,600	6,250	1,750	2,500	-	-	2,500	-	-	-	-	-	-	-
59	50-3500.4504	SALE OF ASSETS	14,046	7,383	19,108	5,805	8,930	6,250	2,130	11,060	6,250	-	5,000	5,000	5,000	5,000	5,000
60	50-3500.4505	INTEREST INCOME	2,122	2,980	7,516	15,583	23,956	20,000	14,838	29,106	29,105	9,105	30,560	32,088	33,693	35,377	37,146
61	50-3900.4901	OPERATING TRANSFERS IN	-	4,024	-	-	-	-	-	-	-	-	-	-	-	-	-
62	50-3900.5901	OPERATING TRANSFERS OUT	(340,636)	(549,328)	(537,773)	(573,442)	(768,513)	(589,519)	-	(439,176)	(589,519)	-	-	-	-	-	-
63	55-3450.4028	DONATIONS OF CASH	5,155.26	847,003.52	126,434.06	230,549.67	5,033,264.80	-	0.00	-	-	-	-	-	-	-	-
64	55-3450.4111	GRANT REVENUE	0.00	0.00	0.00	0.00	6,891,938.71	-	0.00	-	-	-	-	-	-	-	-
65	55-3500.4505	INTEREST	181.55	62.73	23.00	13,091.83	51,554.52	-	1,799.91	-	-	-	-	-	-	-	-
66	55-3900.4901	OPERATING TRANSFERS IN	315,481.93	200,000.00	0.00	0.00	2,150,707.08	-	0.00	-	-	-	-	-	-	-	-
67	57-3500.4505	INTEREST INCOME	578.47	1,004.41	1,810.83	3,041.87	3,230.88	-	-	-	-	-	-	-	-	-	-
68	57-3900.4901	OPERATING TRANSFERS IN	149,646.00	154,121.11	0.00	0.00	0.00	-	-	-	-	-	-	-	-	-	-
69	57-3900.5901	OPERATING TRANSFERS OUT	0.00	(200,000.00)	0.00	0.00	(403,639.55)	-	-	-	-	-	-	-	-	-	-
70	58-3450.4105	BEACH PRESERVATION FEE	-	425,226	966,152	969,974	1,069,429	996,000	505,114	1,042,654	1,043,000	47,000	1,074,290	1,106,519	1,139,714	1,173,906	1,209,123
71	58-3500.4505	INTEREST INCOME	-	1	63	8,202	23,869	24,000	11,207	23,639	24,000	-	25,200	26,460	27,783	29,172	30,631
72	58-3900.4901	OPERATING TRANSFERS OUT	-	-	-	-	(1,747,068)	-	-	-	-	-	-	-	-	-	-
73	60-3450.4111	GRANT INCOME	-	-	7,795	152,289	343,817	-	-	343,179	-	-	-	-	-	-	-
74	60-3500.4501	MISCELLANEOUS	-	-	-	5,147	(3,863)	-	-	-	-	-	-	-	-	-	-
75	60-3500.4505	INTEREST INCOME	3,368	4,944	12,299	19,836	29,662	25,000	23,492	39,870	40,000	15,000	42,000	44,100	46,305	48,620	51,051
76	60-3900.4901	OPERATING TRANSFERS IN	50,000	75,000	50,000	100,000	-	-	-	-	-	-	-	-	-	-	-
77	61-3500.4505	INTEREST	2	1	1	1	0	-	-	-	-	-	-	-	-	-	-
78	62-3500.4504	SALE OF ASSETS	1,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79	62-3500.4505	INTEREST	4	2	1	1	0	-	-	-	-	-	-	-	-	-	-
80	64-3450.4112	COURT ASSESSMENTS FOR VICTIM	9,575	13,790	19,598	10,549	9,640	10,000	5,259	11,094	10,000	-	10,000	10,000	10,000	10,000	10,000
81	64-3500.4505	INTEREST	11	2	2	2	0	3	-	-	3	-	3	3	3	3	3
82	64-3900.5901	OPERATING TRANSFERS OUT	(30,044)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	-	(14,000)	(14,000)	-	-	-	-	-	-
83	66-3500.4501	MISCELLANEOUS REVENUE	1,410	630	2,850	990	3,450	-	-	630	-	-	-	-	-	-	-
84	68-3500.4501	MISCELLANEOUS REVENUE	10,860	15,906	14,505	14,870	13,580	14,500	14,215	17,195	17,000	2,500	15,000	15,000	15,000	15,000	15,000
85	68-3500.4505	INTEREST	8	7	6	7	2	-	-	-	-	-	-	-	-	-	-
86	68-3900.4901	OPERATING TRANSFERS IN	3,000	3,000	3,000	3,000	3,000	3,000	-	3,000	3,000	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	CITY OF ISLE OF PALMS - REVENUE DETAIL - ALL FUNDS																
2	GL Number	Description	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	BUDGET FY19	YTD As Of 12/31/2018	Jan-Dec 2018	FORECAST FY19	INCREASE/ (DECREASE) IN FY19 BUD REV	FORECAST FY20	FORECAST FY21	FORECAST FY22	FORECAST FY23	FORECAST FY24
3																	
87	90-3450.4111	GRANT INCOME	-	-	-	-	-	69,467	-	-	-	(69,467)	-	-	-	-	-
88	90-3500.4501	MISCELLANEOUS INCOME	-	-	-	-	15,791	-	-	(15,791)	-	-	-	-	-	-	-
89	90-3500.4505	INTEREST INCOME	454	690	1,607	3,433	8,993	6,000	7,188	12,625	13,000	7,000	13,650	14,333	15,049	15,802	16,592
90	90-3600.4610	MARINA STORE LEASE INCOME	72,574	74,160	73,420	74,292	76,064	76,860	45,555	77,580	76,860	-	78,397	79,965	81,564	83,196	84,860
91	90-3600.4620	MARINA OPERATIONS LEASE INCO	165,639	166,648	164,200	167,408	169,929	171,426	109,480	172,336	171,426	-	174,855	178,352	181,919	185,557	189,268
92	90-3600.4630	MARINA RESTAURANT LEASE INCC	134,857	128,363	136,996	145,737	147,041	150,210	47,745	146,060	150,210	-	153,214	156,278	159,404	162,592	165,844
93	90-3600.4660	MARINA WAVERUNNER LEASE INC	21,345	22,607	21,801	21,906	22,119	23,000	11,214	16,482	23,000	-	23,460	23,929	24,408	24,896	25,394
94	90-3900.4901	OPERATING TRANSFERS IN	236,852	156,426	268,000	282,425	436,176	435,582	-	436,176	435,582	-	-	-	-	-	-
95	Total Revenues		12,767,393	15,125,328	15,288,564	16,684,196	29,957,105	17,398,651	6,541,254	18,699,027	17,539,529	140,878	18,210,424	17,387,081	17,703,077	18,022,095	18,345,509
96	% Increase from Prior Year			18%	1%	9%	80%	-42%				-41%	4%	-5%	2%	2%	2%
97																	
98																	
99	NOTE 1: Transfers will be included in the revenue forecast once the expenditure budget/forecasts are complete. Since transfers between funds always net to zero, there is no impact on Total Revenues.																
100	NOTE 2: The FY19 Budget includes \$849,500 in lease proceeds that has been re-budgeted in FY20. The increase in the FY19 revenue forecast over the FY19 budget, adjusted for the lease proceeds rebudget, is \$990,378. \$350k of this is solely attributable to one-time WD project licenses and permits.																
101																	
102			ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	BUDGET FY19	YTD As Of 12/31/2018	Jan-Dec 2018	FORECAST FY19	INCREASE/ (DECREASE) IN FY19 BUD REV	FORECAST FY20	FORECAST FY21	FORECAST FY22	FORECAST FY23	FORECAST FY24
103	Property Taxes		4,279,368	4,178,401	4,239,550	4,301,352	4,340,013	4,355,000	956,638	4,321,313	4,355,000	-	4,398,550	4,442,536	4,486,961	4,531,830	4,577,149
104	Local Opt Sales Tax		628,841	675,906	698,077	731,540	772,357	750,000	286,535	779,215	780,000	30,000	811,200	843,648	860,521	877,731	886,509
105	Permits/Licenses/Fees		2,621,235	3,340,651	3,348,794	3,462,262	3,781,583	3,502,800	963,291	3,967,692	4,310,800	808,000	4,234,720	3,998,220	4,060,816	4,124,775	4,190,128
106	Parking		445,422	446,606	557,362	707,483	675,457	778,000	364,764	721,625	785,000	7,000	947,000	947,000	947,000	947,000	947,000
107	All Other		881,380	932,575	1,062,398	1,544,167	2,259,745	1,906,138	646,301	2,305,451	1,061,628	(844,510)	1,917,678	1,079,609	1,091,641	1,099,114	1,111,967
108	Accommodations Tax		2,850,503	3,130,161	3,157,854	3,239,208	3,331,298	3,298,750	1,721,322	3,417,910	3,428,605	129,855	3,529,770	3,636,605	3,746,706	3,860,176	3,977,118
109	Hospitality Tax		619,858	686,994	703,573	755,961	795,928	778,000	363,101	805,157	804,000	26,000	828,440	853,629	879,591	906,349	933,928
110	Beaches		5,915	1,273,298	1,094,482	1,224,860	6,181,349	1,020,000	518,121	1,066,293	1,067,000	47,000	1,099,490	1,132,979	1,167,497	1,203,078	1,239,754
111	Grants		40,000	68,270	28,448	304,587	7,379,437	582,467	500,000	905,078	513,000	(69,467)	-	-	-	-	-
112	Marina		394,870	392,467	398,025	412,776	439,937	427,496	221,182	409,293	434,496	7,000	443,576	452,857	462,344	472,042	481,957
114	Total		12,767,393	15,125,328	15,288,564	16,684,196	29,957,105	17,398,651	6,541,254	18,699,027	17,539,529	140,878	18,210,424	17,387,081	17,703,077	18,022,095	18,345,509

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2	NOTES	
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4	PROPERTY TAXES	Each forecast year increased by 1% which is approximately the ave annual increase since reassessment/last tax increase in FY16. Reassessment expected in FY22, but assume City adjusts millage to maintain consistent revenues
5	LOCAL OPTION SALES TAX	FY20 and FY21 forecasted at 4% (recent 5-yr ave). Then increase lowered to 2% for FY22 and FY23 and 1% in FY24 to reflect potential softening economy.
6	PROPERTY TAX DEBT SERVICE	Each forecast year increased by 1% which is approximately the ave annual increase since reassessment/last tax increase in FY16
7	TELECOMMUNICATIONS LICENSES	
8	BUSINESS LICENSES	FY19 forecast = last 12 mos actual+ WD Proj est. to generate an add'l \$250k in FY19 and \$150k in FY20 (conservative). In FY21, forecast reduces to current levels w/ a 2% annual increase
9	INSURANCE LICENSES	FY18 and last 12 mos actual approx 688k. Forecast 1% annual increases to reflect modest increases in insurance rates.
10	PUBLIC UTILITIES	FY18 and last 12 mos actual approx \$797k. Assume no increase. This revenue a factor of utility fees paid.
11	BUILDING PERMITS	FY19 forecast = last 12 mos actual + WD Proj est. to generate an add'l \$100k in FY19 and \$100k in FY20 (conservative). In FY21, forecast reduces to current levels w/ a 2% annual increase
12	ANIMAL LICENSES	
13	RESIDENTIAL RENTAL LICENSES	Last 12 mos actual = \$559k. Forecast annual 3% increase. Factor of residential rental activity. Will likely see higher growth when new WD proj opens.
14	TRANSPORT NETWORK CO FEE	
15	COURT GENERATED REVENUES	Hard to forecast as this is a function of tickets written and those are hard to predict. FY19 down due to decreased # of officers
16	INTERGOVERNMENT TRANSFERS	
17	GRANT INCOME	
18	STATE SHARED FUNDS	
19	STATE SHARED FUNDS-ALCOHO	
20	MISCELLANEOUS	
21	PARKING LOT REVENUES	Estimated based on \$10/weekday and \$12/Sat&Sun and summer 2017 usage, effective March 2019
22	SALE OF ASSETS	
23	INTEREST INCOME	
24	REC. INSTRUCTORS INCOME	
25	REC. PROGRAM INCOME	
26	KENNEL FEES	
27	STATE ACC TAX ADMIN FEE	Follows forecast estimate of 3% annual increase in tourism revenues
28	PARKING METER REVENUE	Estimated based on \$2/hr for on-street kiosks, effective March 2019
29	CART PURCHASE REVENUE	
30	ALARM PERMIT REVENUE	
31	BREACH INLET BOAT RAMP FEES	
32	RESIDENTIAL PARKING GUEST BOOKS	
33	TREE REPLACEMENT COLLECTIONS	
34	OPERATING TRANSFERS IN	
35	OPERATING TRANSFERS OUT	
36	INTERGOVERNMENT TRANSFERS	
37	GRANT INCOME	
38	MISCELLANEOUS REVENUE	FY18 and last 12 mos actual include the one-time PSB settlement amount
39	INTEREST INCOME	
40	MUNICIPAL LEASE PROCEEDS	Moved Fire Ladder Truck Lease Proceeds from FY19 to FY20
41	OPERATING TRANSFERS IN	
42	OPERATING TRANSFERS OUT	

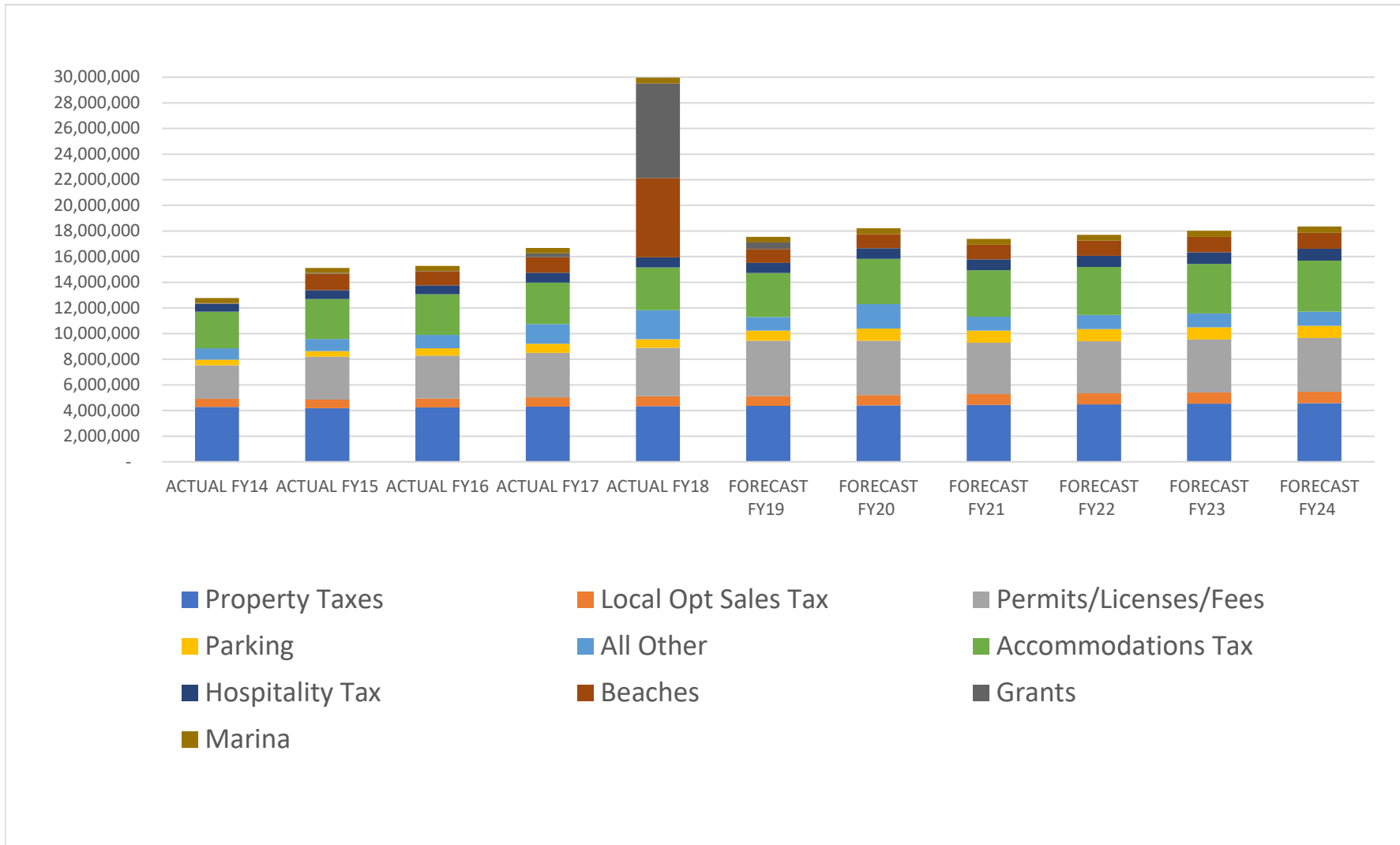
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2	NOTES	
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43	ACCOM. FEE REVENUE	Follows forecast estimate of 3% annual increase in tourism revenues
44	COUNTY ACC. FEE REVENUE	
45	GRANT INCOME	
46	SALE OF ASSETS	
47	INTEREST INCOME	
48	OPERATING TRANSFERS IN	
49	OPERATING TRANSFERS OUT	
50	HOSPITALITY TAX	Follows forecast estimate of 3% annual increase in tourism revenues
51	SALE OF ASSETS	
52	INTEREST INCOME	
53	OPERATING TRANSFERS OUT	
54	VFD 1% REBATE	
55	INTEREST INCOME	
56	ACCOMMODATION TAX-RELATED	Follows forecast estimate of 3% annual increase in tourism revenues
57	ACCOMMODATION TAX-PROMO	Follows forecast estimate of 3% annual increase in tourism revenues
58	MISCELLANEOUS INCOME	
59	SALE OF ASSETS	
60	INTEREST INCOME	
61	OPERATING TRANSFERS IN	
62	OPERATING TRANSFERS OUT	
63	DONATIONS OF CASH	Beach Restoration Project Fund closed. Beach Preservation Fee Fund #58 now hold all Beach funds.
64	GRANT REVENUE	Beach Restoration Project Fund closed. Beach Preservation Fee Fund #58 now hold all Beach funds.
65	INTEREST	Beach Restoration Project Fund closed. Beach Preservation Fee Fund #58 now hold all Beach funds.
66	OPERATING TRANSFERS IN	Beach Restoration Project Fund closed. Beach Preservation Fee Fund #58 now hold all Beach funds.
67	INTEREST INCOME	Beach Maintenance Fund closed and replaced with Beach Preservation Fee Fund #58
68	OPERATING TRANSFERS IN	Beach Maintenance Fund closed and replaced with Beach Preservation Fee Fund #59
69	OPERATING TRANSFERS OUT	Beach Maintenance Fund closed and replaced with Beach Preservation Fee Fund #60
70	BEACH PRESERVATION FEE	Follows forecast estimate of 3% annual increase in tourism revenues
71	INTEREST INCOME	
72	OPERATING TRANSFERS OUT	
73	GRANT INCOME	
74	MISCELLANEOUS	
75	INTEREST INCOME	
76	OPERATING TRANSFERS IN	
77	INTEREST	
78	SALE OF ASSETS	
79	INTEREST	
80	COURT ASSESSMENTS FOR VICTIMS	
81	INTEREST	
82	OPERATING TRANSFERS OUT	
83	MISCELLANEOUS REVENUE	
84	MISCELLANEOUS REVENUE	
85	INTEREST	
86	OPERATING TRANSFERS IN	

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87	GRANT INCOME	
88	MISCELLANEOUS INCOME	
89	INTEREST INCOME	
90	MARINA STORE LEASE INCOME	Forecast assumes 2% annual CPI adjustment, but no add'l rent
91	MARINA OPERATIONS LEASE INCOME	Forecast assumes 2% annual CPI adjustment, but no add'l rent
92	MARINA RESTAURANT LEASE INCOME	Forecast assumes no change in rent structure (even though current lease expires in 2020) and 2% annual CPI
93	MARINA WAVERUNNER LEASE INCOME	Forecast assumes 2% annual CPI adjustment, but no add'l rent
94	OPERATING TRANSFERS IN	
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City of Isle of Palms

Total Revenues from All Sources - Historical and Forecasted

Does not include any possible new revenues except for the increased Parking Lot and Meter fees that City Council approved 1/22/19



City of Isle of Palms
Analysis of Potential New Revenue
FY20 Budget

Possible increase in residential rental license fee. Currently the Isle of Palms charges all short-term and long-term residential rental owners an annual license fee. The fee is comprised of a base fee of \$175 for revenues from \$0 to \$2,000 with an additional \$2.30 for each thousand or fraction thereof. These rates have not been increased since the residential license fee was established in 2007.

<i>FY18 total rental licences issued</i>	1,760
<i>FY18 total base fee paid</i>	308,000
<i>FY18 total incremental fee paid</i>	<u>172,000</u>
<i>FY18 total revenue (does not incl delinquent collections)</i>	<u><u>480,000</u></u>

Possibility #1 = Double both the base fee to \$350 and the incremental rate to \$4.60

Assume # of licenses issued stays the same	1,760
Double existing base fee	616,000
Double existing incremental fee	<u>344,000</u>
Total revenue	<u>960,000</u>
Additional revenue from change	<u><u>480,000</u></u>

Possibility #2 = Add \$50 to the base fee and double the incremental fee from \$2.30 to \$4.60.

Assume # of licenses issued stays the same	1,760
Add additional base revenue of \$50	396,000
Double existing incremental fee	<u>344,000</u>
Total revenue	<u>740,000</u>
Additional revenue from change	<u><u>260,000</u></u>

Possibility #3 = Add \$50 to the base fee and triple the incremental fee from \$2.30 to \$6.90

Assume # of licenses issued stays the same	1,830
Add additional base revenue of \$50	411,750
Triple existing incremental fee	<u>516,000</u>
Total revenue	<u>927,750</u>
Additional revenue from change	<u><u>447,750</u></u>

**City of Isle of Palms
Analysis of Potential New Revenue
FY20 Budget**

Possible increase in Building Permit, Plan Review and Zoning Fees

Current building permit fees are calculated with different rates for large and small projects. The rate structure currently charges \$5 per \$1000 for small projects and \$2 per \$1000 for large projects. Staff proposes to standardize the incremental rate for all projects at \$5/\$1000 of building value. The dollar value of this change is expected to roughly increase revenues by approximately \$100,000.

100,000

Possible increase in Comcast franchise fee. Current fee is 3%, but the City has the ability to increase this to 5%.

FY18 Comcast Revenues	3,623,602
FY18 Franchise Fee = 3%	108,708

Revenue generated with an additional 2% Franchise Fee	<u><u>72,472</u></u>
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Possible implementation of a Franchise Fee on IOP Water & Sewer

FY17 IOPWSC Water & Sewer Revenues	5,233,691
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A 3% Franchise Fee would generate	<u><u>157,011</u></u>
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a 5% Franchise Fee would generate	<u><u>261,685</u></u>
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Possible implementation of a Surf Camp Franchise Fee

City of Folly Beach generates approx \$19,500 from surf camp franchises. They had 4 franchise agreements in summer 2018. \$1,000 base fee + 4% of gross camp revenues.

Possible New Revenue	<u><u>19,500</u></u>
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Possible implementation of a Beach Chair and Umbrella Franchise Fee

City of Folly Beach generates approx \$18,000 from beach chair and umbrella franchise. They had 2 franchise agreements in summer 2018. Similar structure as Surf Camp with 4% of gross revenues.

Folly Beach allows vendors to set a small hut in the commercial district and make deliveries on the beach island-wide.

Possible New Revenue	<u><u>18,000</u></u>
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**City of Isle of Palms
Analysis of Potential New Revenue
FY20 Budget**

Possible increase in Charleston County Stormwater Fee

Additional revenue would be held by Charleston County and subject to their procedures for reimbursement to the City for stormwater-related needs. There is no cap on this fee.

Current Stormwater Fees:

Base Fee Residential Parcels= \$48 (1 ERU)

Vacant Parcels = \$24 (1/2 ERU)

Commercial Parcels = \$48 per 3,000 sq ft

2017 Annual Collections per Charleston County 268,576

Total # of ERUs 5,708

Additional collections generated by increase of:

<i>\$60 Mount Pleasant's rate</i>	68,496
<i>\$72 Sullivan's Island & Charleston County's rate</i>	136,992
<i>\$90 City of Charleston's rate</i>	239,736

Possible debt issuance

Any large multi-million dollar initiative, such as Drainage Phase 3-5, will likely require the issuance of debt. As of 6/30/18, the City had \$10,575,000 of statutory debt limit available for non-referendum debt. Debt issued in accordance with a favorable voter referendum does not count against the City's debt limit

The approximate annual debt service (P&I) on \$1,000,000 at 4% over 20 years is \$73,600. To put this in perspective, the \$23 million Phase 3-5 Drainage project would result in approximately \$1.7 million in annual debt service.

General obligation bond debt is defined by the SC Constitution as any indebtedness of the municipality that is secured in whole or in part by a pledge of its full faith and credit. Property taxes are pledged, but property taxes do not need to be the source of debt service.

Revenue bond debt is secured by a limited pledge of a designated stream of revenue. It typically has a higher interest rate than general obligation debt.

Possible property tax millage increase

See separate analysis of additional revenue generated from a millage increase and the impact on taxpayers.

**City of Isle of Palms
Millage Rate Table**

NOTE: This analysis relates ONLY to the Isle of Palms portion of the total property tax bill

CURRENT ISLE OF PALMS MILLAGE

Operating Millage Rate =	0.0213
Debt Service Millage Rate	0.0034
Total IOP Millage Rate	0.0247
Local Option Sales Tax Credit Factor	(0.0002)

INCREASE IOP MILLAGE BY THE FY17-FY20 CUMULATIVE ALLOWABLE CAP FOR OPERATING MILLAGE (~7.80%)

Operating Millage Rate =	0.0230
Debt Service Millage Rate	0.0034
Total IOP Millage Rate	0.0264
Local Option Sales Tax Credit Factor	(0.0002)

TAXPAYER'S INCREASE

Appraised Value	CURRENT ISLE OF PALMS MILLAGE			2nd Homes & Commercial Assessed at 6%	INCREASE IOP MILLAGE BY THE FY17-FY20 CUMULATIVE ALLOWABLE CAP FOR OPERATING MILLAGE (~7.80%)			2nd Homes & Commercial Assessed at 6%	TAXPAYER'S INCREASE	
	Primary Residences Assessed at 4%	Less Local Option Sales Tax Credit	Net IOP Property Tax for a primary resident		Primary Residences Assessed at 4%	Less Local Option Sales Tax Credit	Net IOP Property Tax for a primary resident		Primary Residents	2nd Homes/Commercial
250,000	247.00	(50.00)	197.00	370.50	263.61	(50.00)	213.61	395.42	16.61	24.92
300,000	296.40	(60.00)	236.40	444.60	316.34	(60.00)	256.34	474.51	19.94	29.91
350,000	345.80	(70.00)	275.80	518.70	369.06	(70.00)	299.06	553.59	23.26	34.89
400,000	395.20	(80.00)	315.20	592.80	421.78	(80.00)	341.78	632.67	26.58	39.87
500,000	494.00	(100.00)	394.00	741.00	527.23	(100.00)	427.23	790.84	33.23	49.84
600,000	592.80	(120.00)	472.80	889.20	632.67	(120.00)	512.67	949.01	39.87	59.81
700,000	691.60	(140.00)	551.60	1,037.40	738.12	(140.00)	598.12	1,107.18	46.52	69.78
900,000	889.20	(180.00)	709.20	1,333.80	949.01	(180.00)	769.01	1,423.52	59.81	89.72
1,000,000	988.00	(200.00)	788.00	1,482.00	1,054.46	(200.00)	854.46	1,581.68	66.46	99.68
1,250,000	1,235.00	(250.00)	985.00	1,852.50	1,318.07	(250.00)	1,068.07	1,977.11	83.07	124.61
1,500,000	1,482.00	(300.00)	1,182.00	2,223.00	1,581.68	(300.00)	1,281.68	2,372.53	99.68	149.53
1,750,000	1,729.00	(350.00)	1,379.00	2,593.50	1,845.30	(350.00)	1,495.30	2,767.95	116.30	174.45
2,000,000	1,976.00	(400.00)	1,576.00	2,964.00	2,108.91	(400.00)	1,708.91	3,163.37	132.91	199.37
2,500,000	2,470.00	(500.00)	1,970.00	3,705.00	2,636.14	(500.00)	2,136.14	3,954.21	166.14	249.21
3,000,000	2,964.00	(600.00)	2,364.00	4,446.00	3,163.37	(600.00)	2,563.37	4,745.05	199.37	299.05
3,500,000	3,458.00	(700.00)	2,758.00	5,187.00	3,690.60	(700.00)	2,990.60	5,535.89	232.60	348.89
4,000,000	3,952.00	(800.00)	3,152.00	5,928.00	4,217.82	(800.00)	3,417.82	6,326.74	265.82	398.74
4,500,000	4,446.00	(900.00)	3,546.00	6,669.00	4,745.05	(900.00)	3,845.05	7,117.58	299.05	448.58
5,000,000	4,940.00	(1,000.00)	3,940.00	7,410.00	5,272.28	(1,000.00)	4,272.28	7,908.42	332.28	498.42

ANNUAL PROJECTED ADDITIONAL REVENUE TO THE CITY FROM A 7.8% TAX INCREASE = \$344,000

FY19 Millage Rates of Neighboring Communities:

Sullivan's Island = 0.0509

Mt Pleasant = 0.04100

Folly Beach = 0.0369