

# IOP FY24 BUDGET WORKSHOP

March 21, 2023

# AGENDA

- Review assumptions for draft budget
- Revenue review
- Expense review
- Review key budget initiatives
- Additional projects/initiatives to include
- Next steps

# BUDGET ASSUMPTIONS

## Revenue

- Tourism funds assumes 90% of last 12 months
- Recognizing \$1,085,000 of ARPA funds for public dock renovation

## Expenses

- 95% staffing rate in Police Department
- 2.5% merit and/or step-based wage adjustments effective 1/1/2024
- Fuel prices of \$3.75/gallon marine grade unleaded & \$4/gallon diesel
- Headcount increased by 4 (STR Compliance, Code Enforcement, PR&T Coordinator, Financial Analyst 6-month)

Transfers from Tourism Funds to General Fund – \$1,305,000

- 4 police officers, 1 police Sgt. , 6 firefighters, Beach Service Officers, 50% of Public Works temp labor, fuel, \$20K for PD overtime, public restroom attendant, portion of PR & Tourism Coordinator position

Transfer from General Fund to Capital Projects Fund – \$1,145,000

# REVENUE SUMMARY

	Actual FY22	Budget FY23	Forecast FY23	Budget FY24	Increase/ decrease from FY23 Budget
General Fund	14,963,737	12,901,105	14,906,450	13,686,035	784,930
Muni ATAX	2,554,894	2,142,500	2,592,000	2,376,000	233,500
Hospitality Tax	1,150,120	1,001,100	1,342,000	1,201,000	199,900
State ATAX	3,315,847	2,619,538	3,537,000	3,188,200	568,662
Beach Preservation	1,836,468	1,545,700	2,014,000	1,825,000	279,300
Marina	524,728	414,590	460,190	441,000	26,410
Other	1,835,984	1,905,475	590,242	2,329,350	423,875
Total	26,181,778	22,530,008	25,441,882	25,046,585	2,516,577

**City of Isle of Palms**  
**Summary of FY24 Budget DRAFT #1**

	General Fund	Capital Proj Fund	Muni Atax Fund	Hosp Tax Fund	State Atax Fund	Beach Preserve Fund	All Other Funds (incs Disaster Recovery)	Marina Fund <i>illustrative Only</i> <b>NOTE 1</b>	Total Fund Balance & Net Position
<b>REVENUES</b>									
PROPERTY & LOCAL OPT TAXES	5,837,000								5,837,000
LICENSES & PERMITS	5,452,000								5,452,000
TOURISM REVENUES	162,755		2,317,000	1,168,000	3,112,200	1,660,000			8,419,955
ALL OTHER REVENUES (NOTE 2)	2,237,280	2,012,800	59,000	33,000	76,000	165,000	313,550	441,000	5,337,630
<b>TOTAL REVENUES</b>	<b>13,689,035</b>	<b>2,012,800</b>	<b>2,376,000</b>	<b>1,201,000</b>	<b>3,188,200</b>	<b>1,825,000</b>	<b>313,550</b>	<b>441,000</b>	<b>25,046,585</b>
<b>EXPENSES</b>									
PERSONNEL EXPENSES	9,639,682	-	-	-	-	-	-	-	9,639,682
OPERATING EXPENSES	3,490,770	297,980	527,300	390,300	1,320,580	845,000	242,100	501,700	7,615,730
CAPITAL EXPENSES	-	2,714,500	343,000	313,000	448,600	485,000	-	2,000,794	6,304,894
DRAINAGE EXPENSES	-	379,000	447,804	-	-	-	-	-	826,804
DEBT SERVICE EXPENSES	830,307	-	93,957	208,758	91,915	-	-	333,427	1,558,364
<b>TOTAL EXPENSES</b>	<b>13,960,759</b>	<b>3,391,480</b>	<b>1,412,061</b>	<b>912,058</b>	<b>1,861,095</b>	<b>1,330,000</b>	<b>242,100</b>	<b>2,835,921</b>	<b>25,945,474</b>
TRANSFERS	271,724	(51,839)	(977,596)	(276,626)	(1,151,033)	-	-	2,185,370	-
<b>INCR/(DECR) IN FUND BALANCE</b>	<b>0</b>	<b>(1,430,519)</b>	<b>(13,657)</b>	<b>12,316</b>	<b>176,073</b>	<b>495,000</b>	<b>71,450</b>	<b>(209,551)</b>	<b>(898,889)</b>
		<b>NOTE 3</b>							
<b>FY24 PROJECTED BEG FUND BAL</b>	<b>4,593,856</b>	<b>10,648,142</b>	<b>3,118,607</b>	<b>825,220</b>	<b>3,923,896</b>	<b>8,127,827</b>	<b>3,189,593</b>	<b>597,298</b>	<b>35,024,438</b>
<b>FY24 PROJECTED END FUND BAL</b>	<b>4,593,856</b>	<b>9,217,623</b>	<b>3,104,949</b>	<b>837,536</b>	<b>4,099,968</b>	<b>8,622,827</b>	<b>3,261,043</b>	<b>387,747</b>	<b>34,125,549</b>

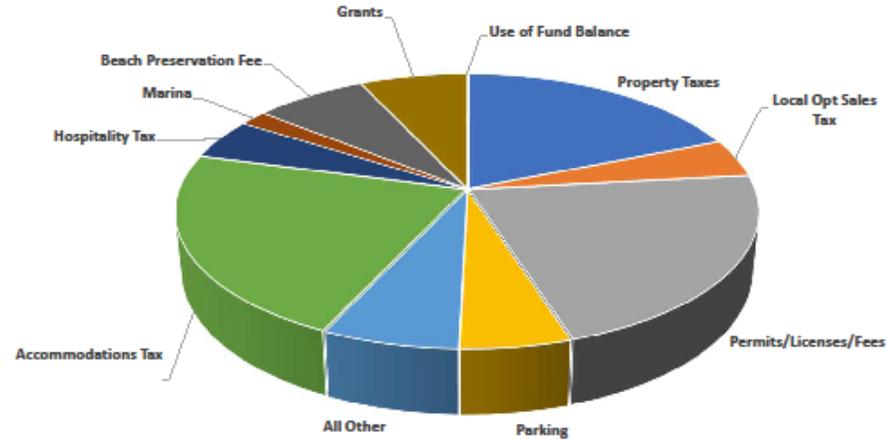
**NOTE 1:** For illustrative purposes only the Marina Enterprise Fund is presented here in the same format as the other funds. For internal and external accounting and reporting purposes however, the Marina Fund follows the accounting rules of a for-profit business and includes proceeds from debt as a liability (not revenue) and capital additions as assets (not expenses).

**NOTE 2:** Other revenues include parking revenues, recreation fees, interest income, grant income, state shared funds, court revenues and marina rents.

**NOTE 3:** The large negative balance in the Capital Projects Fund relates primarily to the \$1.1 million Waterway Blvd multi-use path renovation and elevation.

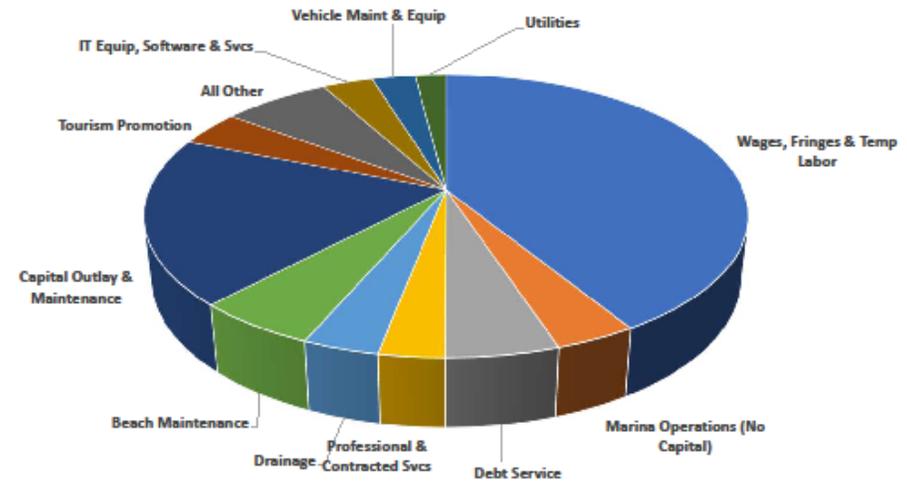
## CITY OF ISLE OF PALMS FY24 BUDGET - ALL FUNDS COMBINED

### Where the Money Comes From ....



FY 2024 Revenue Summary - All Funds		
Property Taxes	4,730,000	19%
Local Opt Sales Tax	1,107,000	4%
Permits/Licenses/Fees	5,452,000	22%
Parking	1,330,000	5%
All Other	1,648,383	7%
Accommodations Tax	5,264,200	22%
Hospitality Tax	1,201,000	5%
Marina	441,000	2%
Beach Preservation Fee	1,825,000	7%
Grants	1,747,800	7%
Use of Fund Balance	-	0%
<b>Total Revenues</b>	<b>25,046,383</b>	<b>100%</b>

### Where the Money Goes ....



FY 2024 Expenditure Summary - All Funds		
Wages, Fringes & Temp Labor	9,897,682	41%
Marina Operations (No Capital)	886,739	4%
Debt Service	1,224,937	5%
Professional & Contracted Svcs	710,500	3%
Drainage	826,804	3%
Beach Maintenance	1,330,000	6%
Capital Outlay & Maintenance	4,581,730	19%
Tourism Promotion	976,800	4%
All Other	1,631,800	7%
IT Equip, Software & Svcs	770,000	3%
Vehicle Maint & Equip	663,400	3%
Utilities	473,900	2%
<b>Total Expenses</b>	<b>23,996,292</b>	<b>100%</b>

**CITY OF ISLE OF PALMS**

**SUMMARY OF PERSONNEL COSTS AND FTES**

GL Number	Description	ACTUAL FY20	ACTUAL FY21	ACTUAL FY22	BUDGET FY23	FORECAST FY23	BUDGET FY24	INCREASE/ (DECREASE) FROM FY23 BUDGET	FORECAST FY25	FORECAST FY26	FORECAST FY27
SALARIES & WAGES		4,630,169	4,787,160	5,071,643	5,529,824	6,114,890	5,672,195	142,371	5,814,000	5,959,350	6,108,334
OVERTIME		552,680	515,719	532,521	487,045	533,001	512,358	25,313	524,617	537,695	551,100
PARTTIME		268,838	295,032	269,893	349,310	301,347	445,300	95,990	364,848	365,470	366,108
<b>SUBTOTAL SALARIES &amp; WAGES</b>		<b>5,451,686</b>	<b>5,597,911</b>	<b>5,874,057</b>	<b>6,366,179</b>	<b>6,949,238</b>	<b>6,629,853</b>	<b>263,674</b>	<b>6,703,464</b>	<b>6,862,515</b>	<b>7,025,542</b>
<b>% INCREASE FROM PRIOR YEAR</b>		<b>-0.1%</b>	<b>3%</b>	<b>5%</b>	<b>8%</b>	<b>18%</b>	<b>4%</b>		<b>1%</b>	<b>2%</b>	<b>2%</b>
FICA		404,699	422,251	440,611	487,013	531,388	507,184	20,171	512,815	524,982	537,454
RETIREMENT		852,571	869,570	962,648	1,223,271	1,349,179	1,258,924	35,653	1,293,773	1,325,821	1,358,670
GROUP HEALTH		778,285	794,816	792,064	824,223	826,579	954,489	130,266	983,124	1,012,617	1,042,996
WORKERS COMP		179,520	182,544	242,595	306,472	306,472	289,232	(17,240)	296,463	306,602	314,135
UNEMPLOYMENT		3,000	1,994	-	-	-	-	-	-	-	-
<b>SUBTOTAL FRINGES</b>		<b>2,218,075</b>	<b>2,271,175</b>	<b>2,437,918</b>	<b>2,840,979</b>	<b>3,013,618</b>	<b>3,009,829</b>	<b>168,850</b>	<b>3,086,174</b>	<b>3,170,023</b>	<b>3,253,255</b>
<b>% INCREASE FROM PRIOR YEAR</b>		<b>2.4%</b>	<b>2%</b>	<b>7%</b>	<b>17%</b>	<b>24%</b>	<b>6%</b>		<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>% OF SALARIES &amp; WAGES</b>		<b>41%</b>	<b>41%</b>	<b>42%</b>	<b>45%</b>	<b>43%</b>	<b>45%</b>	<b>64%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>
<b>TOTAL PERSONNEL COSTS</b>		<b>7,669,761</b>	<b>7,869,086</b>	<b>8,311,975</b>	<b>9,207,158</b>	<b>9,962,856</b>	<b>9,639,682</b>	<b>432,524</b>	<b>9,789,639</b>	<b>10,032,538</b>	<b>10,278,797</b>
<b>% INCREASE FROM PRIOR YEAR</b>		<b>1%</b>	<b>3%</b>	<b>6%</b>	<b>11%</b>	<b>20%</b>	<b>5%</b>		<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>% OF TOTAL GEN FUND EXPENSE</b>		<b>74%</b>	<b>71%</b>	<b>69%</b>	<b>69%</b>	<b>70%</b>	<b>69%</b>		<b>70%</b>	<b>70%</b>	<b>71%</b>
<b>% OF CITY WIDE EXPENSE</b>		<b>47%</b>	<b>41%</b>	<b>43%</b>	<b>39%</b>	<b>44%</b>	<b>40%</b>		<b>41%</b>	<b>47%</b>	<b>47%</b>
<b># OF FULL-TIME EMPLOYEES</b>		<b>92</b>	<b>91</b>	<b>92</b>	<b>92</b>	<b>92.5</b>	<b>95.5</b>		<b>96</b>	<b>96</b>	<b>96</b>
<b>SALARY &amp; WAGES FTE*</b>		<b>56,335</b>	<b>58,273</b>	<b>60,915</b>	<b>65,401</b>	<b>71,869</b>	<b>64,760</b>		<b>66,027</b>	<b>67,678</b>	<b>69,369</b>
<b>FRINGE FTE*</b>		<b>22,624</b>	<b>22,936</b>	<b>24,618</b>	<b>29,914</b>	<b>32,269</b>	<b>32,009</b>		<b>32,867</b>	<b>33,768</b>	<b>34,660</b>
<b>TOTAL (FULLY LOADED) FTE*</b>		<b>78,960</b>	<b>81,210</b>	<b>85,532</b>	<b>95,315</b>	<b>104,138</b>	<b>96,769</b>		<b>98,894</b>	<b>101,445</b>	<b>104,029</b>

*NOTE: The FY23 Forecast includes 1-time \$5,000 COLA adjustment payments made to all full-time employees in November 2023. The forecast also includes a 2.5% COLA increase effective 1/1/2023. Neither of these adjustments were included in the FY23 Budget*

# KEY BUDGET INITIATIVES

## **Stormwater Management**

- Phase 3 Drainage – Completion of 36<sup>th</sup> Avenue outfall project.
- Phase 3 Drainage – Start 41<sup>st</sup> Avenue outfall project (funded by SCOR). Budget includes \$29K for permitting
- Smaller drainage projects identified by Comprehensive Master Plan - \$500K

## **IOP Marina**

- Public Dock Renovation & Greenspace – \$1.9 (ARPA, Tourism Funds & Marina Fund)
- Marina dredging design & permitting – \$50K (Construction funded by \$1.5M state budget grant)
- “T” dock repairs/improvements – \$400K

## **Beach Access Enhancements & Beach Preservation**

- Permitting for future shoal management and beach nourishment project – \$700K
- Beach access paths boardwalks/footbridges – \$250K

# KEY BUDGET INITIATIVES

## **Public Services & Facilities**

- Outdoor fitness court at Recreation Center – \$165K (Offset by \$30K grant)
- Improvements to dog park - \$60K
- Caterpillar trash loader for yard debris operations – \$200K
- Structural assessment & development of options for City Hall renovation – \$250K
- Undergrounding utility lines program - \$175K
- Public Works truck \$40K and Recreation SUV replacement \$36K

## **Public Safety**

- Exhaust system at PSB & Fire Station 2 – \$200K
- New emergency vehicle beach access at IOP County Park – \$200K
- PD Vehicle replacement (2) & new truck for 2<sup>nd</sup> Code Enforcement – \$198K
- FD Truck replacement (2) – \$112K

## **Administration**

- 2.5% merit-based adjustments – \$137K
- Wage & Compensation analysis update – \$15K
- New STR Coordinator, Code Enforcement, PR & Tourism Coordinator & Finance Analyst
- Contracted Professional Services – grant writing and management services (\$30,000); Traffic engineering assistance (\$30,000); Lobbyist (\$48,000); short term rental compliance software (\$62,000)

# SMALL PROJECTS/NEW INITIATIVES/CHANGES FROM FY23

## General Government & Building Department

- HR software for virtual onboarding, orientation and file management – \$4.5K
- Citibot resident engagement AI software – \$14.5K
- Tuition reimbursement program – \$56K
- Initiatives from Environmental Advisory Committee – \$15K
- Employee Engagement – Annual Appreciation Event \$12K, Holiday Party \$25K, other engagement events \$5K
- Annual palm tree trimming – \$34K
- Holiday lights, holiday tree installation & storage – \$24K
- Lighting Oak Trees at the end of the IOP Connector – \$5K
- T-shirt sponsorship for IOP Cleanup Crew – \$3K
- Breach Inlet Boat Ramp – \$50K
- July 4<sup>th</sup> Fireworks – \$45K
- Resident Eco-Tour Outings – \$7.2K

## Public Works Department

- Citiworks maintenance management software – \$10K

## Police Department

- Medsafe pharma drop box – \$3K
- Automatic license plate reader for IOP Connector for investigative purposes – \$11.5K
- Second portable radar sign for traffic control – \$3.5K
- Misting fans – \$5K

## Fire Department

- Adding 6 desktops for training and chairs for watch room in both stations
- First Arriving dashboard software – \$3.6K
- Inventory, maintenance, scheduling & RMS integration software – \$10K

## Recreation Department

- Scheduling and communication Rec trac module – \$15K
- AV upgrade in Rec classrooms – \$30K
- Lighting for pickleball courts – \$25K

# ADDITIONAL PROJECTS/ITEMS TO INCLUDE

- Paramedic program
  - Cost & funding alternatives
- Outsource parking management
  - Potential revenue increase, reduction of BSO operation costs
- Increase STR license fee
- Others?

# PARAMEDIC PROGRAM

City of Isle of Palms  
Estimate of Paramedic Unit

Current Firefighter Fully Loaded Cost	76,810.54
Add 15% for Paramedic (incl fica, retire)	11,521.58
Add 2 sets of bunker gear	6,000.00
Add uniforms	2,000.00
	<b>96,332.12</b>

**Option 1 - Direct Hire**

	#	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Employee	6	552,000	574,080	597,043	620,925	645,762	671,592
Uniforms & Gear	6	48,000	2,000	2,000	2,000	2,000	2,000
Equipment	1	150,000					180,000
Supplies & Incidentals	1	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total</b>		<b>770,000</b>	<b>596,080</b>	<b>619,043</b>	<b>642,925</b>	<b>667,762</b>	<b>873,592</b>

**Option 2 - Outsource**

	#	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
ALS Quick Response Vehicle	1	350,400	364,416	378,993	394,152	409,918	426,315
ALS Ambulance	1	410,640	427,066	444,148	461,914	480,391	499,606
<b>Total</b>		<b>761,040</b>	<b>791,482</b>	<b>823,141</b>	<b>856,066</b>	<b>890,309</b>	<b>925,922</b>

**Notes**

Personnel costs and outsource option assumes 4% increase every year.

# PARKING MANAGEMENT

## ANALYSIS OF OUTSOURCING PARKING MANAGEMENT

### FY22 Actual

<b>Revenues</b>	Parking Ticket Revenue	254,468
	Parking Lot Revenue	681,600
	Parking Meter Revenue	731,345
	<b>Total Revenue</b>	<b>1,667,414</b>

<b>Expenditures</b>	Parking BSOs including Fringes (NOTE 1)	77,639
	Parking Ticket Paper & Envelopes	5,621
	BB&T Merchant Fees on credit card pmts	61,276
	T2 Parking Ticket Software	34,893
	Parkeon Flowbird Fees	12,702
	Tools & Equipment	1,111
	Parkeon Maintenance parts	2,103
	Parkeon Equip Repair & Warranty	14,829
	Uniforms (2/3rds of total)	1,391
	Prof Svcs - Brinks Armored Car Service	1,807
	<b>Expense Savings</b>	<b>213,372</b>

Net Income to City from Parking 1,454,041

### NOTE 1:

FY22 BSOs Wages	85,492
FY22 FICA	6,522
FY22 Workers Comp	5,035

97,049 Of this total, 3 will remain as City Employees for Beach Patrols, Etc  
 19,410 Add 20% for FY24 estimated hourly pay increase (\$18/hr up from \$15/hr)  
 116,459 FY22 Actual BSO compensation increased by 20%  
 77,639 Assume 2/3rds of total is exclusively parking related

### Outsourcing Option #1

Base Management Fee \$ 810.00 per Month  
 Incentive Mgt Fee 6.25% of Gross > \$750,000

Gross Revenues	1,667,414
Assume 10% increase in revenue	166,741
Parking Mgt Contractor Expense Budget	(415,884)
Base Mgt Fee	(9,720)
Incentive Mgt Fee	(67,760)
	<b>1,340,791</b>

Overall Cost to City 113,250

### Outsourcing Option #2

Gross Revenues	1,667,414
Assume 10% increase in revenue	166,741
29.5% to Parking Mgt Contractor	(491,887)
	<b>1,342,268</b>

Overall Cost to City 111,773

## INCREASE SHORT TERM RENTAL LICENSE FEES

- To cover costs of additional personnel to increase enforcement and STR licensing compliance
- Implement rental registration fee or increase scalable license fee based on gross income generated
  - Rental registration fee paid by everyone who submits an application, would capture those that apply but do not complete application process and obtain rental license
  - \$200 registration fee would generate approximately \$350K

# NEXT STEPS

- Adjust budget based on today's feedback
- Review Draft 2 at April Workshop
- First Reading of proposed FY24 budget at April Council meeting
- Public Hearing and Second Reading at May Council meeting
- FY24 Budget must be ratified no later than June 30, 2023