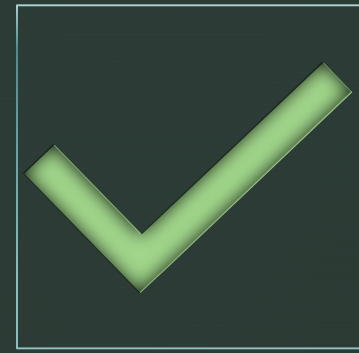


City of Isle of Palms, South Carolina

FY20 Budget Workshop #2 Revenues

Meeting Objectives



- Present and discuss alternative sources of revenue for the General Fund
- Reach consensus on which alternatives to consider for FY20 and moving forward
- Provide feedback on updated FY20 Budget presentation materials
- Schedule Budget Workshop #3 – Expenditures

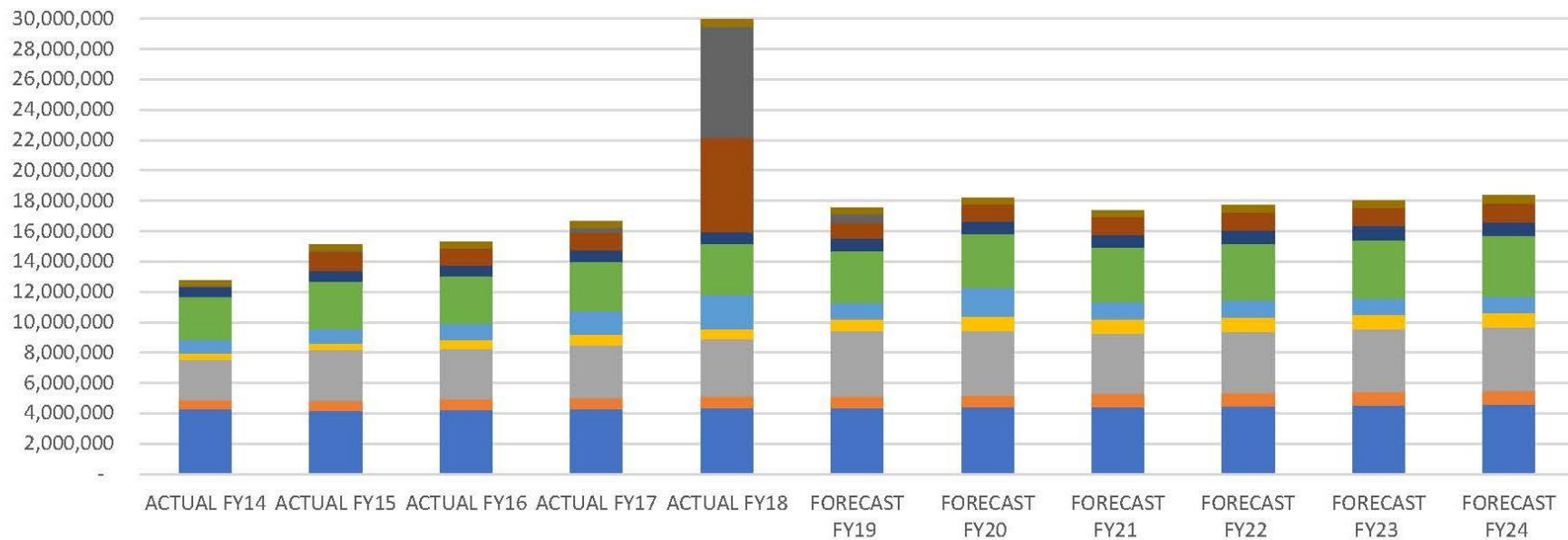


Current Revenue Sources Forecast

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



- Property Taxes
- Parking
- Hospitality Tax
- Marina

- Local Opt Sales Tax
- All Other
- Beaches

- Permits/Licenses/Fees
- Accommodations Tax
- Grants



Council Approved Changes

Changes to parking fee structure in the City lots and on-street parking

- Estimated annual revenues of \$947,483
- An increase of \$313,263 from summer of 2018



Potential New Revenue
Sources for
City Council
Consideration



Residential Rental Licenses

- FY18 Short Term Rental Licenses issued = 1,564
- FY18 Long Term Rental Licenses issued = 196
- FY18 Revenues = \$ 479, 645.45
- Fees have not increased since 2007
- Rental fees include a base fee of \$175 for revenues from \$0 – \$2,000 + \$2.30 for each additional \$1,000.
- Proposed changes could yield additional revenues between \$260K - \$480K

Building Permits

Current Building Permit Fee Structure:

Total Value	
\$1,000 or less	No fee, unless inspection is needed (\$15)
\$1,001 - \$50,000	\$15 for the first \$1,000 + \$5 for each additional \$1,000
\$50,001 - \$100,000	\$260 for the first \$50,000 + \$4 for each additional \$1,000
\$100,001 – \$500,000	\$460 for the first \$100,000 + \$3 for each additional \$1,000
\$500,000 +	\$1,660 for the first \$500,000 + \$2 for each additional thousand



Franchise Fees – Utilities

Increase Comcast Franchise Fee

- Current fee at 3%, but City may increase to 5%
- FY18 Comcast Revenues = \$3,623,602
- FY18 Franchise Fee 3% = \$108,708
- Potential Revenue of Additional 2% = \$72,472

Implement IOP Water and Sewer Franchise Fee

- FY17 IOPWSC Revenues = \$5,233,691
- Potential Revenue of 3% Fee = \$157,011
- Potential Revenue of 5% Fee = \$261,685



Franchise Fees – Commercial Activities

Surf Camps

- City of Folly Beach generates approximately \$19,500 from 4 surf camp franchises.
- Minimum \$1,000 base fee + 4% gross revenues

Beach Chairs & Umbrellas

- City of Folly Beach generates approximately \$18,000 from 2 franchises.
- Similar fee structure based on gross revenues.
- Vendors allowed to have small shed on the beach in the commercial area and make deliveries island wide.



Stormwater Fee

- Current NPDES Stormwater Fee = \$48 (residential parcels)
 - Town of Mount Pleasant = \$60
 - Charleston County & Town of Sullivan's Island = \$72
 - City of Charleston = \$90
- No cap on this fee
- Potential Additional Revenue for Stormwater and Drainage Related Projects:
 - \$60 = \$68,496
 - \$72 = \$136,992
 - \$90 = \$239,736



Grants

- City has been successful in procuring grants in-house in the past, however, City could consider a more aggressive approach to procuring grant funds through contracted professional services.
 - Opportunities exist for drainage improvements, sewer infrastructure, and other capital projects.
- Staff encouraged to pursue additional grant opportunities.



Debt

- Any large multi-million dollar project will likely require the issuance of debt.
For example:
 - Phase III Drainage
 - Marina Docks Improvement
- City's current debt limit available for non-referendum debt is \$10,575,000.
- Approximate annual debt service on a \$1,000,000 at 4% over 20 years is approximately \$73,000.



Property Taxes

- Total IOP Millage Rate = 0.0247
- City may increase MR by the FY17-FY20 cumulative allowable cap for Operating Millage (~7.80%) = 0.0264
 - Annual projected revenue increase= \$344,000
- Taxpayer's Estimated Increase (Primary Residents):
 - \$500,000 → \$33.23
 - \$1,000,000 → \$66.46
 - \$2,000,000 → \$132.91



Island Wide Beach Parking Fees

- City has statutory authority to regulate parking on the SCDOT right-of way (subject to SCDOT approval).
- Reasonable beach user or parking fees do not impede “reasonable” access to the beach.
- Residents and visitors would be required to pay in the designated “pay to park” areas.
- “Improved road surface” and clearly delineated spaces required
- City responsible over the road right-of-way maintenance.
- Revenue generated would stay with the City.



Discussion &
Questions