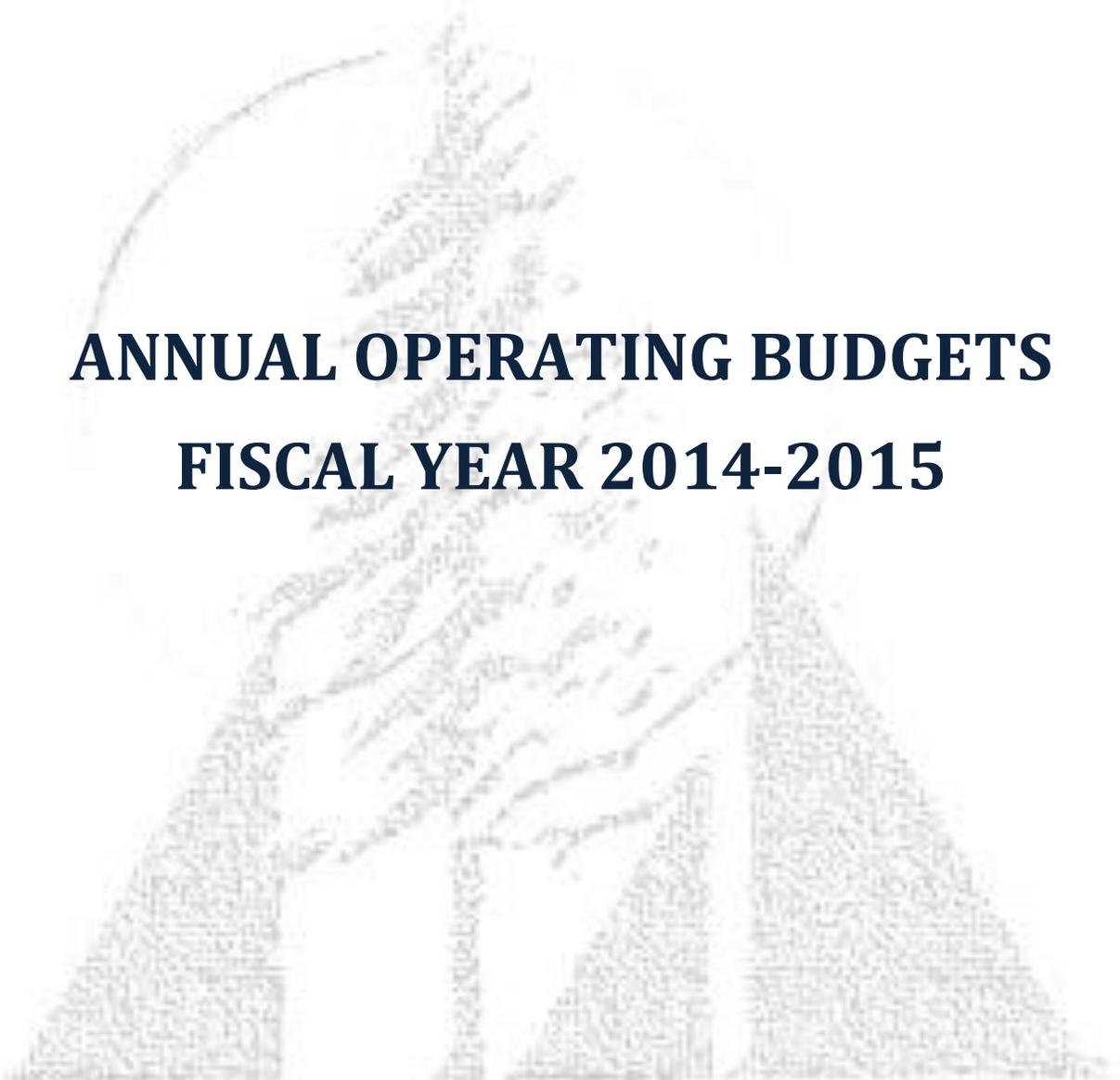


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# **CITY OF TEGA CAY SOUTH CAROLINA**

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**ANNUAL OPERATING BUDGETS  
FISCAL YEAR 2014-2015**





**City Council**

George Sheppard	Mayor
Jennifer Stalford	Mayor Pro-Tempore
Dottie Hersey	Councilwoman
Ron Kirby	Councilman
Chris Landvik-Larsen	Councilman

**Management Team**

Charlie Funderburk	City Manager
Katie Poulsen	Assistant City Manager
Bob Bartkin	Finance Director
Rick Evelsizer	Police Chief
Scott Szymanski	Fire Chief
Tom Goebel	Development Services Director
Tim Gillette	Operations Director
Ryan Powell	Utilities Director
Joey Blethen	Parks & Recreation Director
Dora Perry	Human Resources Manager
David Wood	Municipal Judge

## **Introduction & Overview**

Tega Cay is a safe, family friendly, regionally accessible, lakeside community with exceptional educational, entertainment and recreational opportunities and a special place to work, play and call home. Over the next seven years, the City’s population will reach approximately 15,000 residents spread over an area much larger than the original Tega Cay footprint. As the city expands and surrounding areas develop it will be important to maintain Tega Cay’s identity as a municipality and ensure that growth occurs in a way that fulfills the community’s vision for the future. Aligning these plans with a common vision will lead to better communication and efficiency for the city. Furthermore, it will allow the City Council to remain focused on the most critical strategic issues as it collaborates with the county, surrounding cities and the state to ensure Tega Cay’s place in the region.



While Tega Cay looks forward to the future, it will strive to continue to be known for its lakeside amenities, close community ties, excellent educational opportunities and a healthy, recreational lifestyle.

Tega Cay will continue to distinguish itself in the region as a lakeside residential community rich in recreational opportunities where residents enjoy the Good Life by nurturing families, friends and neighbors.

### **Community Values**

- Small town feeling
- Strong neighborhoods
- Safe place to raise children
- Exceptional recreation amenities
- Welcoming social and community life
- Blue Ribbon Award winning schools
- Easy access to amenities of Charlotte and surrounding area
- Volunteer participation in community life
- Representative and responsive government
- Business Friendly
- Proactive communication with the public
- Environmentally and economically sustainable policies



### **Finance**

The City of Tega Cay is committed to being good stewards of public funds. In that effort, the City Council has adopted a Financial Policy for the City. This policy will be used to guide the financial management practice of the City and will help promote financial long-term stability. At all times, the City will maintain an available fund balance (reserve funds) of at least 25% of the total annual operating expenditures of the City. From time-to-time, Council may appropriate funds that will reduce the available fund balances below the 25% threshold in the case of a declared financial emergency or other such global purpose as to protect the long-term financial stability of the City. In such circumstances, Council will also adopt a plan to restore the fund balances to the policy level within 36 months from the date of the appropriation. As of the close of FY 2013-2014, the City has been able to build the reserve fund balance to 40% of its annual operating expenditures.

The City will also rely on a balanced approach to capital funding utilizing debt financing, draws on capital reserves and current year (pay-as-you-go) appropriations. When capital improvements are financed, the City will repay the debt within a period not to exceed the expected useful life of the project. Through the end of FY 2013-2014, the City has been able to pay off all debt other than its bonds.

The annual operating budget will be developed in conjunction with the strategic goals of the City. One-time or other special revenues will not be used to finance continuing City operations, but instead will be used for funding special projects/capital improvements.

**Land Use/Community Facilities**

Tega Cay will continue to explore opportunities to expand its boundaries through strategic annexation that provides benefit to the city as a whole whether by increasing commercial tax base, gaining access to infrastructure or some other community goal.

With each new development, the City will work closely with the developer to preserve natural buffers and greenways. The City will always look for opportunities to mesh what the developer wants with the City’s identity so that we can continue to provide a unique living experience for our entire community.

Tega Cay continues to explore ways in which to provide basic services by expanding police, fire and emergency medical services into new areas of the City. This will require additional personnel and potentially the annexation of land in strategic locations for satellite stations. The city will also control its destiny with regard to services such as water, sewer, roads and storm water and will develop them as needed to keep pace with growth.

**Natural Resources/Recreation**



As part of the overall healthy lifestyle, Tega Cay maintains its environmentally sensitive approach to policies regarding natural resources. This is most noticeable in the growing number of sidewalks and trails that connect various neighborhoods within the city to parks and eventually to the Catawba Thread Trail system. The City continues to protect our resources through partnerships with the Ft. Mill School District and other public education efforts in regards to storm water. Our continued efforts to preserve and protect greenways and open spaces, along with the 98% participation rate in our recycling program, are other ways that Tega Cay works to protect the natural environment of this area.

**Transportation**

Improvements to major intersections in the area, as well as alternative routes such as Hubert Graham Way, will greatly improve congested roadways traveled by residents of Tega Cay. These projects are scheduled to get underway in 2015. Other transportation alternatives will continue to be developed in conjunction with RFATS (Rock Hill-Ft. Mill Area Transportation Study) and other regional planning groups to allow commuters to connect to job centers.

**Economic Development**

Job creation within the city is encouraged through concepts such as live/work spaces in the commercial areas of Stonecrest by bringing in business friendly services that enable those who work from home to perform daily business tasks without leaving the community.

As the City moves into 2015, marketing strategies based on the City’s assets, advantages and uniqueness in the Charlotte region will be developed. Things that will be considered in this marketing strategy will be: access to Lake Wylie, parks, trails, greenways and other recreation and tourism-related opportunities. Working with the York County EDC and other entities will be vital to promoting Tega Cay as a unique location for new economic opportunities.

**Governance/Management/Civic Engagement**

Additional professional staff to support the City as it grows in size and complexity will be needed. The volunteer spirit that has supported Tega Cay all of these years will continue to be encouraged through opportunities to serve on boards and ad hoc committees. An important element of maintaining strong community leadership will be to understand and adapt to the changing lifestyle of young two-career families. Finding flexible and innovative ways to engage citizens at all stages of life will be important.

All of this will demand a more strategic approach to communication with a variety of innovative communication tactics that are designed to meet the specific information needs of the residents.

**Form of Government**

The City of Tega Cay operates under the council-manager form of government as outlined in Title 5, Chapter 13 of the Code of Laws of South Carolina, 1976, as amended. The City Council consists of five (5) members, including the Mayor. All council members are elected at-large and serve four year staggered terms. Council members are elected in November of odd numbered years and begin their terms the following January.

The City Council serves as the policy making body for the City. They are charged with adopting an annual budget, setting rates for taxes and fees, appointing city officials (City Manager, Municipal Judge and City Attorney), establishing ad hoc committees when needed, entering into debt service agreements, setting general policies for the city government and enacting regulations, resolutions and ordinances, consistent with the authority granted by the Constitution and general laws of the state.

Under the council-manager form of government, the City Council employs a professional manager to oversee the day-to-day operations of the City. The City Manager serves as the chief executive officer and head of the administrative branch of the city’s government. The City Manager is responsible to the Council for the proper administration of all affairs of the City including:

- Appointing and removing officers and employees of the City
- Preparing and administering the annual budgets
- Providing reports to Council
- Ensuring implementation of the City’s ordinances
- Negotiating Contracts on behalf of the City for Council’s consideration

## **Budget Process & Overview**

Pursuant to Article X, Section 7(b) of the South Carolina Constitution, the City of Tega Cay must annually prepare, adopt and maintain an annual budget which provides for the sufficient revenue to meet the town's estimated expenses in the upcoming fiscal year. City Council is charged with levying an appropriate level of taxes each year in order to provide sufficient revenue to meet the City's expedited revenues.

Currently the City operates several different budgets, four of which are enterprise funds. The **General Fund** is the general operating fund and accounts for revenues and necessary expenditures needed to operate the following departments:

- Administration
- Municipal Council
- Municipal Court
- Law Enforcement
- Public Works
- Development Services
- Fire Department
- Parks & Recreation
- Debt Service

The **Tega Cay Utility Department Budgets (TUCD-I and TUCD-II)** account for revenues and expenditures necessary to operate the City owned water and sewer departments. In June of 2014, the City was able to acquire the original water/sewer system that serves traditional Tega Cay. Revenues collected primarily come from water/sewer fees collected from customers on the systems and tap fees from new customers. As the two systems are completely separate and have their own unique expenses, they are accounted for with two separate budgets show each systems revenues and each systems expenditures.

The **Storm Water Utility Budget** accounts for revenues and expenditures necessary to operate the City's Storm Water Department. This department conducts the activities necessary to keep the City in compliance with its NPDES permit issued by SCDHEC. Revenues for this account primarily come from the annual stormwater fee charged for all impervious surfaces on each developed lot. Residential customers pay a fixed \$96 fee on their York County Tax bill. Commercial customers pay based on the amount of impervious square footage they have and are billed annually by the City.

The **Beach & Swim Center Budget** accounts for the revenues and expenditures necessary to operate the Beach & Swim Center Facility. This City owned facility includes a club house, fitness room and two pools (one 8-lane, junior Olympic size pool and a wading pool). Revenues for this fund primarily come through annual membership fees collected and facility rental revenue.

The **Community Events Budget** accounts for the revenues and expenditures necessary for several community wide events each year. These events include: Concert Series, 4<sup>th</sup> of July Celebration, Fall Festival and a Holiday Festival. Revenues for this fund are primarily generated through corporate sponsorships and our annual Mayors' Cup Golf Tournament.

The **Hospitality Tax**, or H-Tax, budget accounts for all taxes levied on prepared foods sold inside

the City limits. H-Tax funds are limited by state law in how they can be spent. Generally these funds can be expended on facilities and programs that will generate tourism.

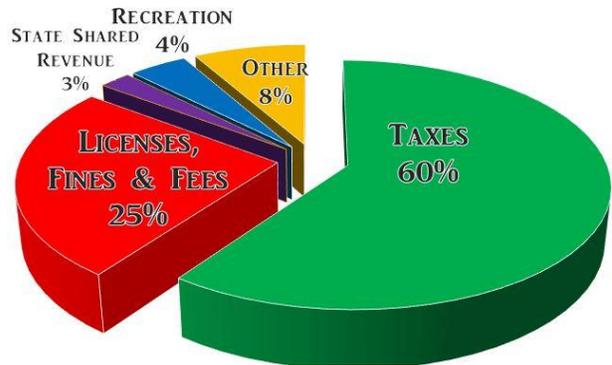
## FY 2014-2015 BUDGETS

### General Fund

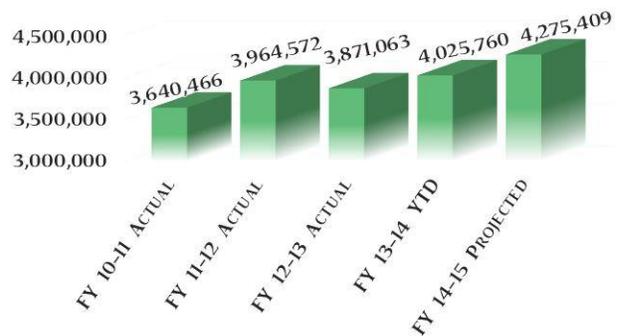
The total General Fund Budget for FY 14-15 is \$7,128,816. Personal and Property Taxes account for 60% of the total revenue of this budget. In addition to not increasing the millage rate, there are also no increases in the use fees. Budgetary expenditures for this fiscal year also include: Comprehensive Plan completion, increased funding for street and park maintenance, increase in the landscaping in public spaces, upgrades to the Police Department building for accreditation purposes, Led lighting at City Hall and the Police Station, and six additional employees (two fire fighters, one code enforcement officer, one maintenance employee, and two Police Officers). Below are the projected revenues for FY 14-15 General Fund Budget, as approved by City Council.

### Revenue Summary

TAXES (PROPERTY & AUTO)	\$ 4,275,409
LICENSES, FINES & FEES	1,800,500
STATE SHARED REVENUE	164,396
RECREATION	302,037
OTHER	586,474
<b>TOTAL REVENUE</b>	<b>\$ 7,128,816</b>

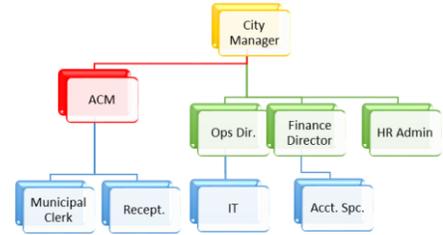


As you can see from the chart, tax revenue has steadily increased even through the down turn of the economy. While the City has seen several new commercial businesses open up over the past few months, there is still a concentration on attracting more in an effort to reduce the burden on the residential tax base.



**~Administration~**

The Administration Department is comprised of the City Manager, the Office Manager/Municipal Clerk, Finance Director, Accounts Receivable/Accounts Payable, Communications Specialist, Human Resources Administrator and Receptionist. The Administration Department operates out of the main floor of City Hall along with staff members from our Operations, TCUD and Storm Water Departments.



**~Municipal Council~**

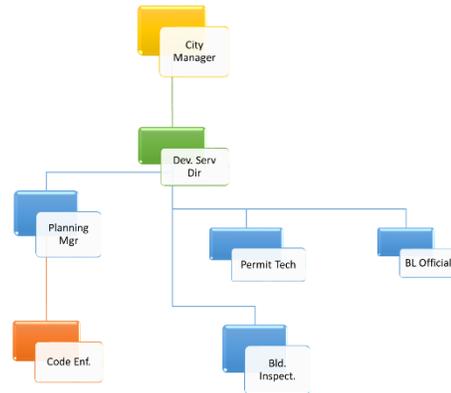
The Municipal Council budget is primarily comprised of salaries and applicable payroll taxes for the Mayor and City Council. There are also several smaller line items that are necessary for meeting expenses, etc.

**~Municipal Court~**

The City of Tega Cay holds municipal court on the second Tuesday of every month. This is necessary to process violations and crimes that have been committed within the City limits. The Honorable David Wood serves on a contract basis as the City’s Municipal Judge. The City also employs part-time Clerk of Court and a solicitor on a contract basis.

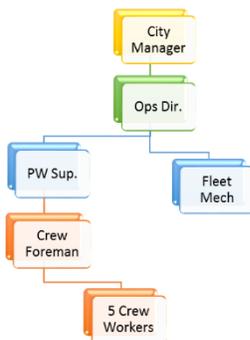
**~Development Services~**

The Development Services Department includes the City’s Building Department, Business Licenses, Planning, Zoning and Code Enforcement. All building, zoning and land disturbance permits are handled through this department. Our Development Services staff operates out of the lower level of City Hall.



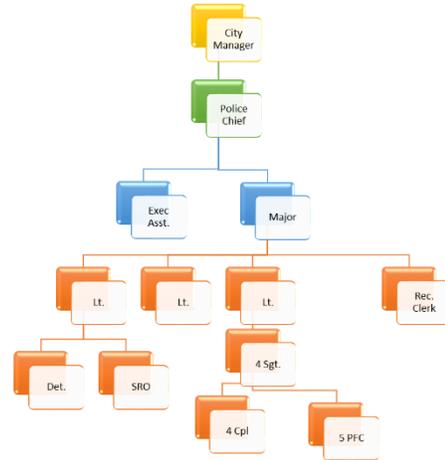
**~Public Works~**

The Public Works Department includes all of the City’s maintenance employees. Members of this Department, who also work within the City’s Storm Water and Parks & Recreation Departments, are responsible for the overall upkeep of City owned facilities, fleet vehicles and infrastructure.



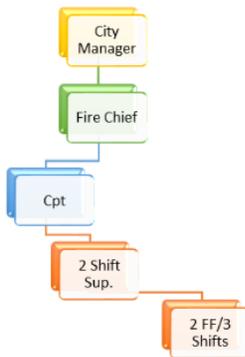
**~Police Department~**

The Police Department includes 21 sworn officers and two support staff members (assistant to the Chief and Records Clerk). Dispatch duties are handled by York County’s Public Communications (911) located at the Emergency Operations Center in Rock Hill, SC. The department also provides an SRO (school resource officer) for Gold Hill Middle School and performs lake patrols around the peninsula on holiday weekends during the summer months.



**~Fire Department~**

Historically, fire services have been provided by the Tega Cay Volunteer Fire Department. In the FY 09-10 budget, the City hired its first full time fire fighters. Each year the City has worked with the Volunteer Department in an effort to grow the full-time department and provide the necessary coverage for the City. With the FY 13-14 budget, the City’s department began providing 24/7 coverage with full-time staff. The volunteer department will continue to provide the necessary support. The City currently maintains an ISO 3 rating.



**~Parks & Recreation~**

The Parks & Recreation Department is responsible for programming all youth and adult recreation programs in addition to maintaining the City’s twelve (12) public parks, four (4) public tennis courts and walking trail system. The administrative staff for this department operates out of and is responsible for the operations of the City’s Beach & Swim Center.

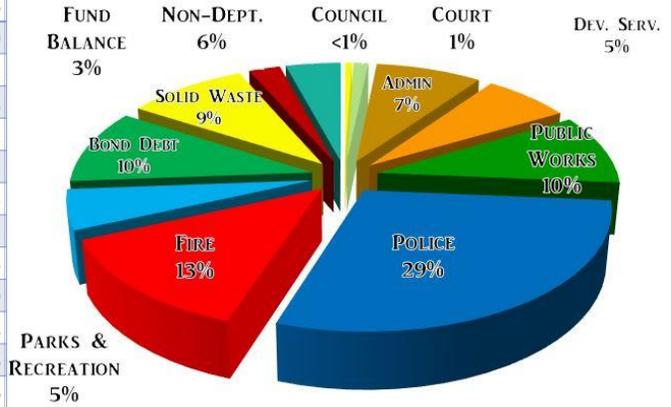


**~Non-Departmental~**

This section of the General Fund budget is primarily comprised of the City’s debt service (bond payments). Other items that are necessary for the proper operation of the City that are not specific to an operating department are also captured in this area of the budget (solid waste and recycle program, safety/risk management, Grant funded projects).

**General Fund Expenditure Summary**

COUNCIL	\$	36,848
COURT		80,220
ADMINISTRATION		574,111
DEVELOPMENT SERVICES		473,182
PUBLIC WORKS		666,951
POLICE		2,006,184
FIRE		922,708
PARKS & RECREATION		377,104
BOND DEBT		703,265
SOLID WASTE		651,000
FUND BALANCE		170,082
NON-DEPARTMENTAL (OTHER)		297,078
<b>TOTAL GENERAL FUND</b>	<b>\$</b>	<b>7,128,816</b>



**Tega Cay Utility Department**

The combined utility budget for FY 14-15 is \$3,396,210. The TCUD-I system has been in operation for 14 years and is nearing 1,800 customers. The recently acquired TCUD-II system has approximately 1,750 customers. Currently, the City purchases whole sale water from the Town of Ft. Mill via a 16” transmission line along the Sutton Rd. corridor. The City’s waste water from the TCUD-I system is transported to the Manchester Creek treatment facility in Rock Hill through a force main that runs beneath the Catawba River. The waste water from the TCUD-II system is treated at one of the three waste water treatment plants owned by the City.

**TCUD-I Revenue Summary**

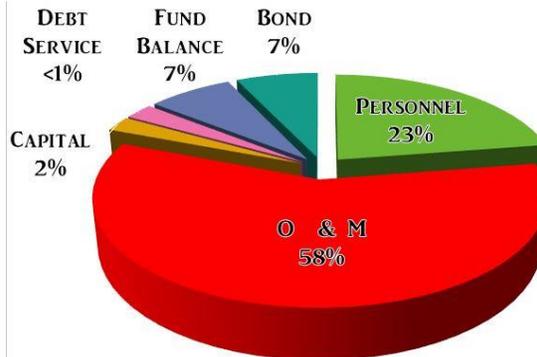
CHARGES FOR WATER	\$	731,376
CHARGES FOR SEWER		579,150
TAP FEE CHARGES		38,500
OTHER REVENUE		19,050
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>1,368,076</b>

**TCUD-II Revenue Summary**

CHARGES FOR WATER	\$	857,725
CHARGES FOR SEWER		1,136,413
OTHER REVENUE		33,996
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>2,028,134</b>

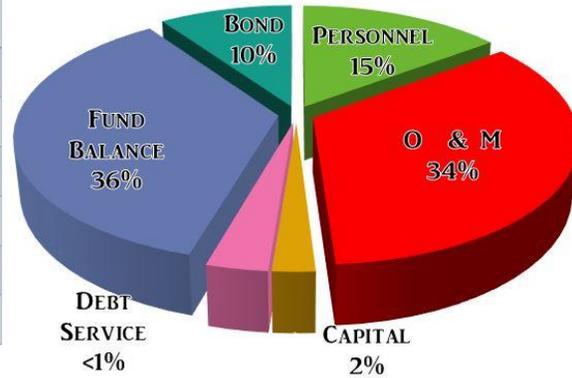
**TCUD-I Expenditure Summary**

PERSONNEL	\$	308,626
OPS & MAINT		796,480
CAPITAL EXPENDITURES		31,898
DEBT SERVICE		33,871
FUND BALANCE		100,000
BOND PAYMENT		97,201
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>1,368,076</b>



**TCUD-II Expenditure Summary**

PERSONNEL	\$	299,920
OPS & MAINT		696,091
CAPITAL EXPENDITURES		45,000
DEBT SERVICE		65,000
FUND BALANCE		725,036
BOND PAYMENT		197,087
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>2,028,134</b>

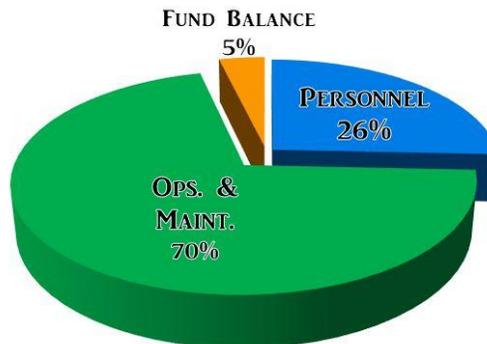


**Beach & Swim Center**

The Beach & Swim Center is owned and operated by the City but is funded through the annual collection of membership fees. This lake side facility houses the City’s Parks & Recreation staff and includes an 8-lane Junior Olympic Size swimming pool, a wading pool and a club house that includes a fitness facility. The gathering room in the club house is available for private rentals which also generate funds for this department.

**Expenditure Summary**

<b>MEMBERSHIPS</b> <i>BASED ON 639 MEMBERS AT \$253.57/MEMBERSHIP</i>	\$	162,031
FACILITY RENTAL		3,000
OTHER REVENUE		53,845
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>218,876</b>



**Storm Water Utility**

The City’s Storm Water Department is responsible for maintaining the storm sewer infrastructure throughout the City. This infrastructure includes street drains, curb and gutter, pipes, culverts and drainage way. This is all necessary in order to protect our water quality and to prevent flooding problems. The priorities for the stormwater program:

- Meet federal storm water requirements
- Maintain the storm water drainage system
- Improve the drainage system
- Manage new development

In order to pay for these operations, the City developed a storm water utility fee. Customers are billed annually based on the amount of ERUs (Equivalent Residential Unit) of impervious surface they have. One (1) ERU equals 3,500 ft.<sup>2</sup> of impervious surface. All residential customers are billed for one ERU, or \$96. Commercial customers are billed based on the actual number of

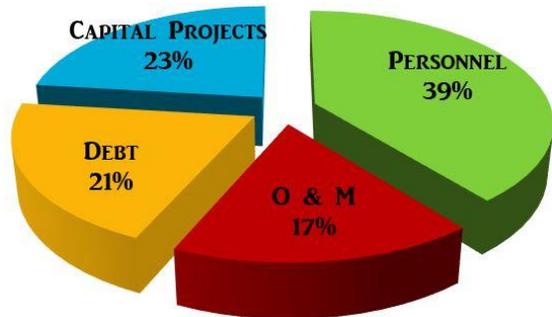
ERU’s on their property x \$96 (ex. A business with 45,500 ft<sup>2</sup> of impervious surface would be charged for 13 ERUs x \$96 or \$1,248). The FY 14-15 Storm Water Utility Budget includes no fee increase and \$91,756 in capital projects to be completed.

**Revenue Summary**

<b>STORM WATER UTILITY FEE</b> <i>(4337 ERUs AT A 99% COLLECTION RATE)</i>	<b>\$ 397,242</b>
<b>TOTAL REVENUE</b>	<b>\$ 397,242</b>

**Expenditure Summary**

<b>PERSONNEL</b>	<b>\$ 156,158</b>
<b>OPERATIONS &amp; MAINTENANCE</b>	<b>68,550</b>
<b>DEBT PAYMENTS</b> <i>(EQUIPMENT/TRUCK/BOND PAYMENTS)</i>	<b>80,778</b>
<b>CAPITAL PROJECTS</b>	<b>91,756</b>
<b>TOTAL EXPENSES</b>	<b>\$ 397,242</b>



**Events**

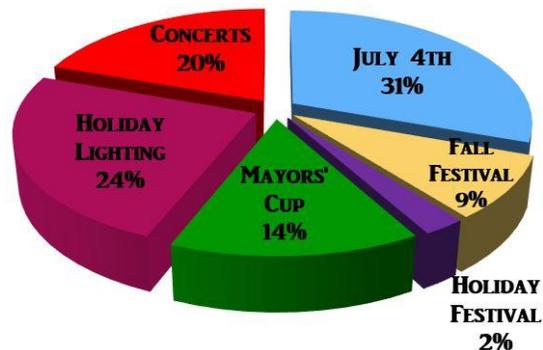
Every year the City of Tega Cay puts on a variety of community events that really help folks identify with the City and its small town atmosphere. These events range from our annual 4<sup>th</sup> of July celebration, where we not only celebrate Independence Day, but the birthday of the City as well, to our outdoor Concert Series. In 2011, the City began hosting a golf tournament as a way to raise the funds necessary to pay for these annual events in an effort to lessen their burden on the tax payers.

**Revenue Summary**

<b>COMMUNITY EVENTS</b>	<b>\$ 2,700</b>
<b>FALL FESTIVAL VENDORS</b>	<b>5,000</b>
<b>GOLF TOURNAMENT</b>	<b>27,500</b>
<b>TRANSFER FROM H-TAX</b>	<b>46,700</b>
<b>TOTAL REVENUE</b>	<b>\$ 81,900</b>

**Expenditure Summary**

<b>JULY 4<sup>TH</sup></b>	<b>\$ 25,000</b>
<b>FALL FESTIVAL</b>	<b>7,300</b>
<b>HOLIDAY FESTIVAL</b>	<b>2,000</b>
<b>CONCERTS</b>	<b>16,000</b>
<b>MAYORS' CUP GOLF</b>	<b>11,600</b>
<b>HOLIDAY LIGHTING</b>	<b>20,000</b>
<b>TOTAL EXPENSES</b>	<b>\$ 81,900</b>



**Hospitality Tax**

Hospitality Tax is a tax that is collected with the sale of prepared foods by commercial businesses at a rate of 2%. These funds are paid by the businesses that sale prepared foods on a monthly basis to the City. State law limits what these funds can be spent on and generally it is limited to capital or operational costs associated with tourism.

**Expenditure Summary**

EVENT SALARIES	\$	5,000
DISC GOLF		16,500
MARKETING		5,000
TRANSFER TO EVENTS FUND		46,700
FUND BALANCE		56,800
TOTAL EXPENSES	\$	130,000

