
FY 2016-2017

Operating Budgets





City Council

George Sheppard	Mayor
David O’Neal	Mayor Pro-Tempore
Dottie Hersey	Councilwoman
Jennifer Stalford	Councilwoman
Ryan Richard	Councilman

Management Team

Charlie Funderburk	City Manager
Katie Poulsen	Assistant City Manager
Bob Bartkin	Finance Director
Steve Parker	Police Chief
Scott Szymanski	Fire Chief
Tom Goebel	Development Services Director
Tim Gillette	Operations Director
Philip Jolley	Utilities Director
Joey Blethen	Parks & Recreation Director
Dora Perry	Human Resources Manager
Sylvia Szymanski	Municipal Clerk
Justin Bice	Municipal Judge

Introduction & Overview

Tega Cay is a safe, family-friendly, lakeside community with exceptional educational, entertainment and recreational opportunities, which is why more than 11,000 people have decided to make it their home. Over the next five years, the City’s population will grow to approximately 15,000 residents spread over an area much larger than the original Tega Cay footprint. As the surrounding areas look to develop it will be important for the City to continue to look for ways to manage that growth in order 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 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.

VISION STATEMENT

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.

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 is used to guide the financial management practice of the City and helps 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 2015-2016, 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.

The annual operating budget will be developed in conjunction with the Capital Improvement Program and 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 and capital improvements.

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 Fort Mill School District and other public education efforts in regards to storm water as part of the Clean Water Act. Our continued efforts to preserve and protect greenways and open spaces, along with the 98% participation rate in our recycling program, are other ways Tega Cay works to protect the natural environment of this area.

Transportation

Improvements to major intersections in the area (Gold Hill Rd./Hwy 160 intersection), as well as alternative routes (Hubert Graham Way), will greatly improve congested roadways traveled by residents of Tega Cay. These projects are scheduled to be completed in early 2017. 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.

Governance/Management/Civic Engagement

Additional professional staff to support the City as it grows in size and complexity are an ongoing need. The volunteer spirit that has supported Tega Cay all of these years will continue to be encouraged through opportunities to serve on boards, committees and commissions. 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 is important.

All of this will demand a continued, strategic approach to communication with the variety of innovative communication tactics that are currently being utilized.

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 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 city'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 expected expenditures.

Currently the City operates several different budgets, three 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 Budget** accounts for revenues and expenditures necessary to operate the City owned water and sewer departments. In the fall of 2015, the City was able to close on a State Revolving Fund loan that was necessary to make the repairs and upgrades to the once private sewer system. It is anticipated those repairs will be completed by the end of 2016/beginning of 2017. The Utility Department also undertook the challenge of replacing all of the visual/proximity read water meters on the entire system with remote read meters. Not only will this insure accurate readings, it will eliminate the need to use staff and contractors to read the meters as reads will be pulled remotely using transponders stationed throughout the city. That single comes directly into City Hall providing hourly reads on all the water meters on the system.

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 come from the annual storm water fee charged for all impervious surfaces on each developed lot. Residential customers pay a fixed \$108 fee on their York County Tax bill. Commercial customers pay based on

the amount of impervious square footage they have. Beginning this fiscal year, they will also be billed on their York County Tax bill.

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, 4th of July Celebration, Fall Festival and a Holiday Festival. Revenues for this fund are primarily generated through our community sponsorship program and our annual Mayors’ Cup Golf Tournament.

The **Hospitality Tax**, or H-Tax, budget accounts for all taxes levied on prepared foods and beverages 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 to the area.

FY 2016-2017 BUDGETS

General Fund

The total General Fund Budget for FY 16-17 is \$8,494,505. Personal and Property Taxes account for just over half of the total revenue of this budget. The millage rate will remain at 89 mills for seventh consecutive fiscal year. Additional budgetary expenditures for this fiscal year include: an increase in landscaping of public areas, continued focus on street and park maintenance, resurfacing 4 tennis courts, replacing playground equipment, EMT certifications for Fire Dept. staff, an E-desk in the lobby of the Police Dept., digital finger printing capabilities in the Police Dept., increased professional development for staff and four additional employees (one fire fighter, one Recreation Programmer, one maintenance employee, and one Police Officer). Below are the projected revenues for FY 16-17 General Fund Budget, as approved by City Council.

Revenue Summary

Taxes	\$ 4,794,363
Licenses, Fines & Fees	2,977,261
State Shared Revenue	164,396
Recreation	406,952
Other	<u>151,260</u>
TOTAL REVENUE	\$ 8,494,505



~Municipal Council~

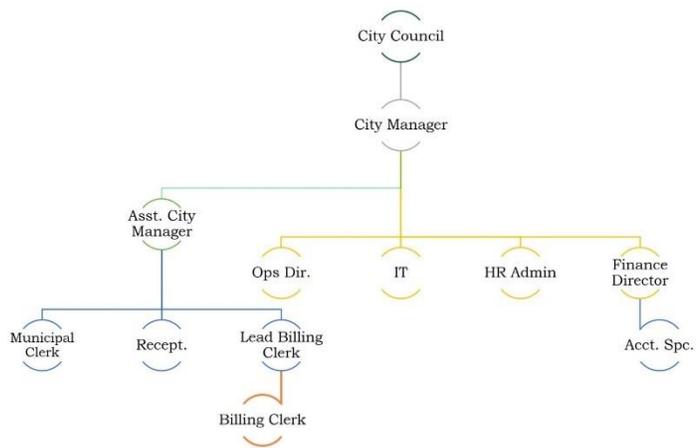
The Municipal Council budget is primarily comprised of salaries and applicable payroll taxes for the Mayor and City Council. There are also several smaller line items that are necessary for meeting expenses, etc.

~Municipal Court~

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

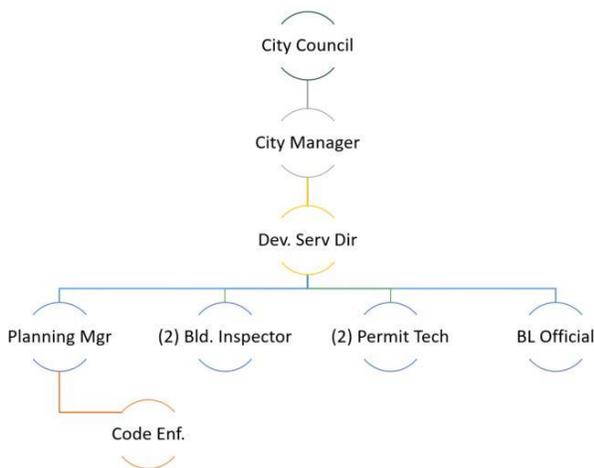
~Administration~

The Administration Department is located at City Hall and is comprised of the City Manager, the Assistant City Manager, Municipal Clerk, Finance Director, Accounts Receivable/Accounts Payable, Human Resources Manager, IT Manager and Receptionist.



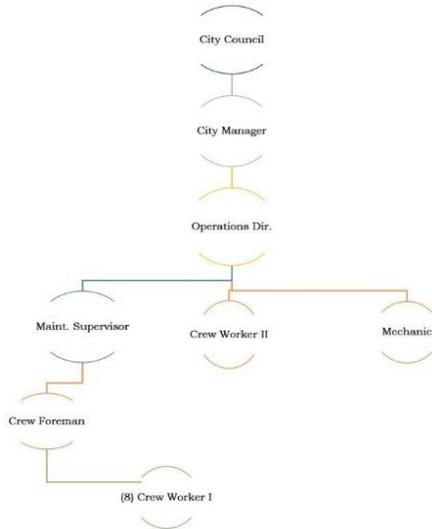
~Development Services~

The Development Services Department is also located at City Hall and 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.



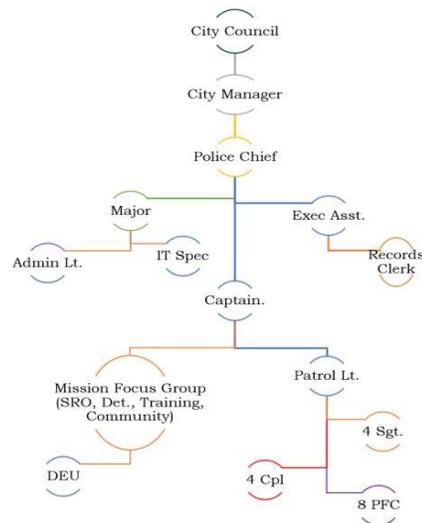
~Public Works~

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 Department, are responsible for the overall upkeep of City owned facilities, fleet vehicles and infrastructure.



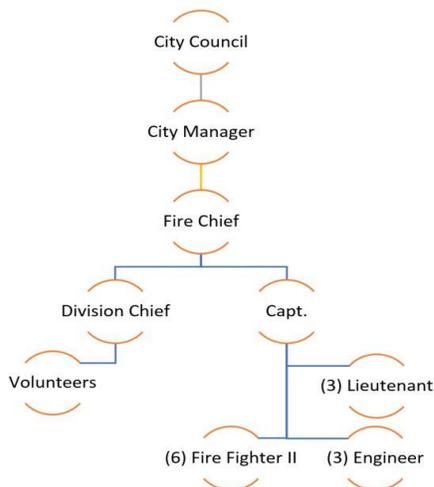
~Police Department~

The Police Department includes 27 sworn officers and three support staff members (assistant to the Chief, Records Clerk and IT specialist). 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 a DEU agent to the Multijurisdictional Task Force. In addition to several community programs like Camp Cadet and National Night Out, the department also performs lake patrols around the peninsula during the summer months.



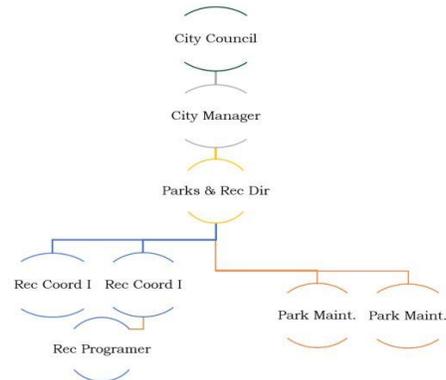
~Fire Department~

In 2009, 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. In late 2017 the City should be opening Fire Station #2 in the Stonecrest development to help provide fire and lifesaving services at faster response times to the eastern part of the City. The City currently maintains an ISO 2 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. While the Parks & Recreation Director is located at City Hall, the programming staff operates out of the Beach & Swim Center. From there they not only program all of our recreation programs, they also manage the pool facility.

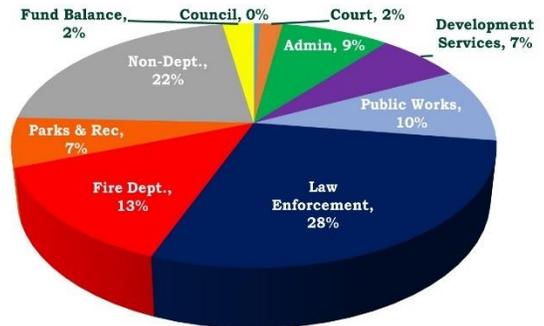


~Non-Departmental~

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, etc.).

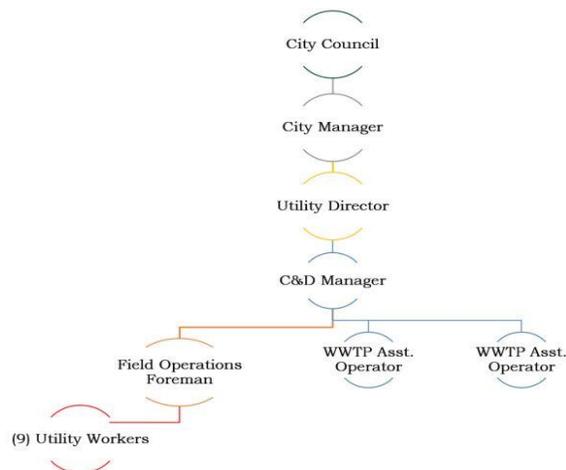
General Fund Expenditure Summary

Council	\$ 38,511
Court	156,438
Administration	731,672
Development Services	562,063
Public Works	831,247
Law Enforcement	2,418,294
Fire Services	1,141,806
Parks & Recreation	550,938
Non-Departmental	1,853,862
Fund Balance	209,674
TOTAL GENERAL FUND	\$ 8,494,505



Utility Department

The Utility Budget for FY 16-17 is \$4,322,822. Currently, the City purchases whole sale water from the Town of Fort Mill via a 16” transmission line along the Sutton Road corridor. The City’s waste water from the newer areas 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 traditional Tega Cay is treated at one of the two waste water treatment plants owned by the City.

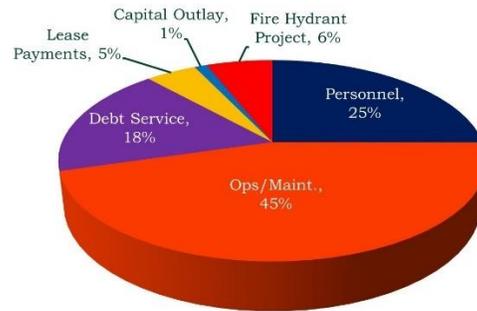


Utility Revenue Summary

Water	\$ 1,940,539
Sewer	1,935,319
Other	41,530
Tap Fees	405,434
TOTAL REVENUE	\$ 4,322,822

Utility Expenditure Summary

Personnel	\$ 1,038,153
O & M	1,880,162
Capital	46,782
Lease Payments	190,038
Bond Payments	739,750
Fund Balance	240,476
TOTAL EXPENSES	\$ 3,575,141

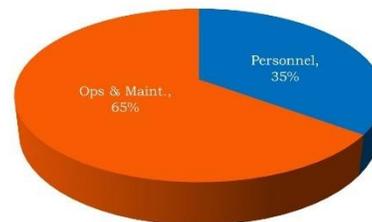


Beach & Swim Center

The FY 16-17 budget for the Beach & Swim Center is set at \$200,528. This facility is owned and operated by the City but is funded through the annual collection of membership fees, making it an enterprise budget like the Utility and Storm Water budgets. This lakeside facility houses the City’s 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

Personnel	\$ 70,303
O & M	130,225
TOTAL EXPENSES	\$ 200,528



Storm Water Utility

The Storm Water Department’s budget for FY 16-17 is \$480,000. This department is responsible for maintaining the storm sewer infrastructure throughout the City. This infrastructure includes street drains, curb and gutter, pipes, culverts and drainage ways. This is all necessary in order to protect the water quality of lakes and streams. The priorities for the storm water program:

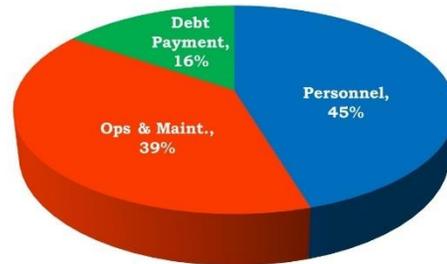
- Meet federal storm water requirements
- Maintain the storm water drainage system
- Improve the drainage system
- Manage new development

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.² of impervious surface. All residential customers are billed for one ERU or \$108. Commercial customers are billed based on the actual number of ERU's on their property x \$108 (ex. A business with 45,500 ft² of impervious surface would be charged for 13 ERUs x \$108 or \$1,404).

Expenditure Summary

Personnel	\$ 217,633
O & M	188,381
Debt Payments	<u>73,986</u>
TOTAL EXPENSES	\$ 461,171



Events

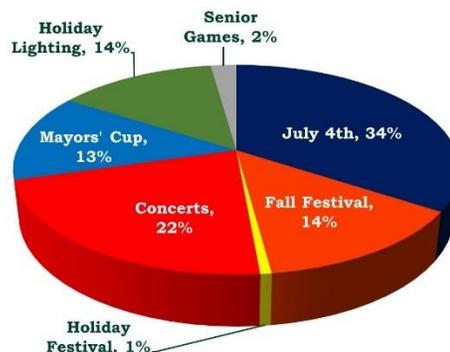
Every year the City of Tega Cay puts on a variety of community events which helps foster the small town atmosphere by allowing residents and visitors to identify with the City. These events range from our annual 4th of July celebration, where we not only celebrate Independence Day, but the birthday of the City as well, to our outdoor Concert Series. In 2011, the City began hosting a golf tournament as a way to help supplement the funds necessary to pay for these annual events in an effort to lessen the burden on tax payers.

Events Revenue Summary

Interest Income	\$ 900
Community Events	2,000
Fall Festival Vendors	1,300
Golf Tournament	8,000
Sponsorships	14,626
Transfer from H-Tax	<u>42,244</u>
TOTAL REVENUE	\$ 73,070

Events Expenditure Summary

July 4 th	\$ 25,000
Fall Festival	10,000
Holiday Festival	500
Concerts	16,000
Mayors' Cup	9,950
Holiday Lighting	10,000
Senior Games	<u>1,620</u>
TOTAL EXPENSES	\$ 73,070



Hospitality Tax

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

Expenditure Summary

Event Salaries	\$ 7,000
Marketing	5,000
Transfer to Events	42,244
Runde Park Lights	24,754
Maint. & Repairs to TCGC	81,000
Fund Balance	5,002
TOTAL EXPENSES	\$ 165,000

