



County Administrator

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Dear Chairman Kirven and Members of County Council:

I am pleased to present Greenville County's biennium budget for Fiscal Year 2018 and Fiscal Year 2019. This document provides the financial structure for Greenville County's programs and services over the next two years and encompasses a fiscally responsible allocation plan for the resources and services necessary to maintain our County's much-admired quality of life. The budget is a continuation of the sound management and financial practices Greenville County government has established and maintained over the years, which have resulted in the County's retention of triple A bond ratings for the past 20 years.

DEVELOPMENT PHILOSOPHY

The recommended budget aligns the County's resources with the Council's identified governing priorities as discussed at its retreat in January:

PRIORITY 1- Public Safety:	Reduce crime; maintain a manageable jail population; reduce EMS response time.
PRIORITY 2- Infrastructure:	Reduce traffic congestion; maintain current county paving conditions and improve intersections and collectors.
PRIORITY 3- Fiscal Condition:	Preserve triple A bond ratings; maintain levels in quality of services.
PRIORITY 4- Public Transit:	Work with GTA to develop public transportation strategies to enhance and provide transportation that allows access to and from places of business.
PRIORITY 5- Economic Development:	Increase workforce quality; increase number of jobs/high paying jobs.
PRIORITY 6- Planning:	Promote managed growth in compliance with the comprehensive planning program.

Short Term Factors and Budget Guidelines

The budget provides the necessary resources to address the ongoing needs of our citizens and the delivery of public services. To reach the desired level of services, with minimal growth in revenues while making progress towards implementing the County's long term goals, the following factors and guidelines were considered:

- **Conservative, but realistic projections of revenues and expenditures.** Conservative projections help ensure that adequate resources will be available to meet budgeted obligations.
- **Maintenance of target fund balances to preserve financial integrity.**
- **Review of all significant fees.** Major fees are reviewed during the budget preparation to see if any adjustments are needed.
- **Wage adjustments.** Maintaining a competitive workforce is tantamount to quality service provision.
- **Employee benefits.** The cost of employee benefits increases for the two budgeted years.

OVERVIEW

The preparation of this biennium budget has been a challenging feat as the County is faced with rising health care costs, increased pension contributions, state legislative action reducing the county tax base, maintaining competitive pay for employees and escalating utility costs. While not immune to the resulting fiscal pressure, Greenville County has worked diligently to develop solid fiscal planning, strong financial management, and conservative budgeting principles which have demonstrated financial vitality and excellent government performance in the past, and exhibit the aptitude for continued success.

County-wide, staff has worked together to review levels of service and budgets in order to streamline services, reduce unnecessary expenses and best realign resources. Savings measures have been instituted and operating expenditures reduced; and, continued emphasis will be placed on additional improvements to efficiency and cost reductions as feasible. Due to the still volatile economic environment, this budget reflects minimal increases in General Fund operating expenditures.

The following are some of the major accomplishments of the FY2018/FY2019 budget:

- **No millage increase for the 24th and 25th consecutive years.** The continued healthy growth of Greenville County is a derivative of the excellent financial and growth management of the government. Greenville County remains committed to providing exceptional services to residents while accommodating growth and improving the abilities of the government without further burdening the tax base.
- **General Fund Balance of \$49 Million.** Due to the current economic uncertainty, it is imperative to follow our established financial policies and maintain sufficient fund balances, which is reflected in the County's average General Fund Balance of \$49 million for the biennium.
- **Expenditures reflect the top governing priorities of Greenville County Council.** Expenditures in this budget invest largely in public safety personnel and resources, infrastructure improvements, economic development efforts that continue to improve the quality of life in Greenville County and responsibly grow the tax base, and maintenance of the County's sound fiscal condition today and for the foreseeable future.
- **Fiscally Lean County Government Operation.** Greenville County, the most populous County in the State of South Carolina, operates with the lowest per capita cost compared to the largest counties within the State. According to SCAC's Profiles, Greenville County operates at \$343 per capita compared to \$613 for Charleston, \$543 for Horry, \$465 for Lexington, and \$401 for Richland. In addition, the County has the lowest staff per 1,000 residents compared to the large counties and ranks 43rd out of all 46 counties in the state. This budget emphasizes streamlined services and continual realignment of resources to improve efficiency and minimize operational costs.
- **Investment in technology.** In order to maintain low operational costs, this budget allocates an important investment in technology that allows employees to maximize their productivity. Proposed for the next biennium are information technology improvements, digitization of ROD documents, and a new financial tax system.

BUDGET IN BRIEF

Greenville County's biennium budget for FY2018 and FY2019 totals \$578,053,795. The FY2018 budget totals \$293,003,229. The FY2019 budget totals \$285,050,566. The following chart provides an overview of the County's overall biennium budget for Fiscal Years 2018 and 2019. The County's total budget includes the General Fund, selected Special Revenue Funds, Debt Service, and Enterprise Funds.

	ADOPTED BUDGET FY2016	ADOPTED BUDGET FY2017	ADOPTED BUDGET FY2017-2018	ADOPTED BUDGET FY2018-2019
GENERAL FUND	\$ 154,662,442	\$ 160,659,290	\$ 168,736,973	\$ 174,184,892
SPECIAL REVENUE FUNDS	\$ 56,983,124	\$ 54,518,781	\$ 75,752,631	\$ 69,331,598
DEBT SERVICE FUND	\$ 21,590,746	\$ 22,621,060	\$ 20,841,972	\$ 20,435,805
ENTERPRISE FUND	\$ 23,568,904	\$ 22,034,568	\$ 27,671,653	\$ 21,098,271
TOTAL BUDGET	\$ 256,805,216	\$ 259,833,699	\$ 293,003,229	\$ 285,050,566

The General Fund operating and capital budgets for the two-year period of FY2018 and FY2019 total \$342,921,865. The General Fund operating budget for FY2018 (including salaries, operating, contractual and capital line items) totals \$168,736,973. This represents an increase of \$8,077,683 or 5.03% from the FY2017 budget. The General Fund operating budget for FY2019 (including salaries, operating, contractual, and capital line items) totals \$174,184,892. This represents an increase of \$5,447,919 or 3.23% as compared to the FY2018 budget. The increase is attributed to salary increases, increases for health insurance, and the addition of public safety positions.

BUDGET PROCESS

The two-year budget process will be similar to the process in prior years. Budget workshops are proposed to review the budget with County Council. In order to comply with section 4-9-140 of the State Code, a staggered ordinance adoption process will be followed. As in previous years, the budget ordinances will be reviewed concurrently. The projected schedule is as follows:

May 16, 2017	First Reading
June 6, 2017	Second Reading
June 20, 2017	Public Hearing & Third Reading for FY2018
July 18, 2017	Public Hearing & Third Reading for FY2019

HIGHLIGHTS

REVENUE ASSUMPTIONS

Ad Valorem Taxes- The County's base property valuation is estimated to be \$2.23 billion, reflecting a growth in the base of about 3% over the prior year. In Fiscal Year 2018, five-tenths of one mil will be transferred from the Certificates of Participation Debt Service Fund to the General Fund. In Fiscal Year 2019, two-tenths of one mil will be transferred. These transfers are possible due to the reduction in the debt service obligations for Certificates of Participation. Over 56% of Greenville County's budgeted revenue is derived from local ad valorem property taxes.

County Office Revenue – Fees related to property development have stabilized throughout the current fiscal year. Overall, county office revenue is projected to experience minimal growth.

Intergovernmental Revenues – State shared revenues for the Fiscal Year 2018 and Fiscal Year 2019 biennium budget are projected to account for 14% of General Fund revenue.

EXPENDITURES

The County's expenditures are divided across several major service areas. Noteworthy changes to expenditures include:

PRIORITY 1 PUBLIC SAFETY

Sheriff's Office - Funding is included in the biennium budget for additional master deputy positions. The budget adds five master deputy positions for FY2018 and five master deputy positions for FY2019.

Sheriff's Office - Funding is included in the biennium budget for additional communication specialist positions. The budget adds six communication specialist positions for each year of the biennium.

Sheriff's Office (E911) – The biennium budget includes capital funding in FY2018 for the acquisition of a new CAD system.

Coroner's Office - Funding is included in the biennium budget to add one deputy coroner position and one administrative position in FY2018.

Medical Examiner's Office – The biennium budget includes additional operational funding due to an increase in fees.

Emergency Medical Services - Funding is included in the biennium budget for three community paramedic positions, two communication specialist positions, four emergency medical technician positions, and two operational support technician positions in FY2018. The budget also includes funds for additional medical supplies.

Detention Center - Funding is included in the biennium budget for additional detention officer positions. The budget adds six detention officer positions for FY2018 and six positions for FY2019. Additional funds are also included for training and food for inmates.

Forensics - Funding is included in the biennium budget for additional contractual obligations for DNA accreditation and laboratory equipment.

Circuit Public Defender – Additional operational funding is included in FY2018 for the Public Defender's Office.

Magistrates - The biennium budget includes one victim notifier position that was moved from the Victim's Rights Special Revenue Fund.

Probate Court - Funding is included for part-time positions to complete the Probate Court imaging project. Funds are also included for additional operational costs.

PRIORITY 2 INFRASTRUCTURE

Stormwater - The budget includes funding for neighborhood drainage improvement projects in the amount of \$600,000 in each year of the biennium budget. Funding for NPDES water quality retrofit projects in the amount of \$600,000 is also included for each year of the biennium budget. In addition, \$2.3 million has been appropriated in each year for funding flood projects as part of the flood hazard mitigation program. Funding will be provided from the current stormwater utility fee.

Road Program -A total of \$8.5 million is programmed for each year of the biennium. Funds are included for road paving, sidewalks, bridge replacements, road improvements, and traffic calming. The County's local government revenue sharing program with municipalities is proposed to continue at the current level of \$700,000 annually.

**PRIORITY 3
FISCAL CONDITION**

Maintenance of Current Operating Expenditures – As part of the budget development process, staff conducted a line item review of departmental operations and service delivery. Through this review, it was determined that a majority of operating expenditures could be held at current levels for the biennium. Any increases in operating expenditures are a result of the inclusion of expansion packages for enhanced services.

Employee Benefits – The budget includes funding for health and dental insurance to keep pace with the rising cost of health care. A 10% increase for health insurance rates has been projected for both years of the biennium.

Salary Adjustment – The proposed budget anticipates an average 2.0% increase for FY2018 and for FY2019. These salary adjustments reflect the County's commitment to pay for performance of our employees, our most valuable resource.

Vehicle Replacements/Additions – The budget includes funding to continue vehicle replacements for both fiscal years. A total of \$4 million for vehicles and equipment is scheduled in both years of the biennium utilizing the master lease program. This budget also includes additions to the fleet to support operations.

Grants – Funding for matching grants in the amount of \$200,000 for each of the fiscal years is included in the budget.

Capital Projects – A total of \$35.1 million for FY2018 and \$49.95 million for FY2019 is included in the Capital Improvement Program to support technological enhancements, equipment replacement, facility improvements, and Parks and Recreation projects.

**PRIORITY 5
ECONOMIC
DEVELOPMENT**

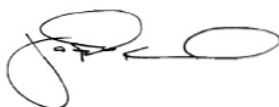
Parks, Recreation, and Tourism – A total of \$2.10 million for FY2018 and \$3.75 million for FY2019 is included in the Capital Improvement Program for parks, recreation, and tourism projects. These projects include deferred maintenance for a number of parks and facilities and trail construction.

Animal Care Services – The biennium budget includes funding for one additional animal control officer.

Economic Development Funding – The proposed budget includes \$3,563,544 for the biennium to be appropriated for the County's economic development programs. This includes \$462,000 for the Upstate Alliance; \$3,001,544 for the Greenville Area Development Corporation (GADC); \$100,000 for Esurance Insurance Services for the biennium.

As we conclude another budget development process, it has been my honor to work with the County Council in allocating public resources to accomplish the County's goals. It has also been a great privilege serving with the professionals who comprise the entire County organization as we strive to provide the level of services needed and desired by our citizens. I genuinely appreciate the commitment of our staff in serving our citizens and conducting the County's business.

Sincerely,



Joseph M. Kernell
County Administrator

LONG-TERM GOALS AND PRIORITIES

Consistent with the County's financial policies of providing a financially stable fiscal plan, budget development directives from County Council call for streamlining the government focus. This section outlines six long-term goals that have shaped budgetary decisions for the upcoming biennium.

- ◆ Public Safety
- ◆ Infrastructure
- ◆ Fiscal Condition
- ◆ Public Transit
- ◆ Economic Development
- ◆ Comprehensive Planning

PRIORITY AREA I: PUBLIC SAFETY

Provide a safe community for citizens

Maintain manageable Detention Center population. Facilitate coordination between magistrates and jail regarding bond hearings and review alternatives to incarceration to reduce length of stay for inmates.

Reduce EMS Response Time. Provide for the implementation of the high performance EMS program to achieve a ninetieth percentile response time and overall response time of 12 minutes and 30 seconds or less.

Reduce Crime. Provide funding to support public safety functions that address crime and the effects of drug and gang activity within our community.

PRIORITY AREA II: INFRASTRUCTURE

Establish adequate funding and management systems to provide for County infrastructure

Provide for roads/infrastructure needs. Maintain current county paving conditions and improve intersections and collectors.

Reduce traffic congestion. Support infrastructure to meet the community's growth. Develop an effective road network for the county to reduce traffic congestion.

PRIORITY AREA III: FISCAL CONDITION

Operate within a fiscally responsible framework

Maintain Triple A Bond Ratings. Provide for long-term fiscal viability and fiscal management of fund balance reserves through operating efficiencies, cost savings, and revenue enhancement.

Maintain Levels in Quality Services. Review services provided by County Departments, their current level, any mandated levels, and opportunities for streamlining.

PRIORITY AREA IV: PUBLIC TRANSIT

*Rethink public transportation strategies
to enhance transportation*

Develop Public Transportation. Develop strategies, in conjunction with GreenLink, to enhance and provide transportation that allows access to and from places of business.

PRIORITY AREA V: ECONOMIC DEVELOPMENT

*Improve economic development climate within County to promote long term
financial stability and provide a livable community for citizens*

Increase Quality of the Workforce. Create and encourage public/private partnerships with county offices, local and state educational institutions, and private and non-profit organizations to meet the training needs of today's workforce and targeted industries.

Increase Number of Jobs/High Paying Jobs. Improve the quality of life of every Greenville County citizen by facilitating investment and job growth from new and existing companies and small businesses.

PRIORITY AREA VI: COMPREHENSIVE PLANNING

Prepare for the future ever mindful of the changing dynamics of growth

Complete Comprehensive Plan. Facilitate the comprehensive planning process for the County utilizing the involvement of the stakeholders including citizens, school district, utilities, recreation district, fire districts and municipalities. Coordinate implementation of comprehensive plan and infrastructure improvements with appropriate entities.

LINKING LONG- AND SHORT-TERM GOALS

