



County Administrator

Joseph Kernell
jkernell@greenvillecounty.org
(864) 467-7105
www.greenvillecounty.org

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Dear Chairman Taylor and Members of County Council:

I am pleased to present Greenville County's biennium budget for Fiscal Year 2016 and Fiscal Year 2017. 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 acclaimed 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 16 years.

DEVELOPMENT PHILOSOPHY

The recommended budget aligns the County's resources with the Council's identified governing priorities:

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| <i>PRIORITY 1 – Public Safety:</i> | Reduce crime; maintain a manageable jail population; reduce EMS response time. |
| <i>PRIORITY 2 – Infrastructure:</i> | Reduce traffic congestion; establish a stormwater management system that allows for growth. |
| <i>PRIORITY 3 – Fiscal Condition:</i> | Maintain triple A bond ratings; maintain levels in quality of services. |
| <i>PRIORITY 4 – Public Transit:</i> | Increase public transportation; provide for transit oriented economic development. |
| <i>PRIORITY 5 – Economic Development:</i> | Increase workforce quality; increase number of jobs/high paying jobs. |
| <i>PRIORITY 6 – Planning:</i> | Promote managed growth in compliance with the comprehensive planning program. |
| <i>PRIORITY 7 – Diversity in Employment:</i> | Attract, develop and retain a highly competent and diverse workforce. |

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 along with 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 the biennium budget is still a challenging feat as the national and state economies continue a slow recovery. Since 2008, the County has been faced with responding to several revenue issues resulting from the economic downturn, including slow increases in fees collected by areas related to property development; increases in health care costs; providing reasonable pay to employees; escalating utility costs; and fluctuating fuel 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 have been reduced; and, continued emphasis will be placed on additional improvements to efficiency and cost reduction as feasible. Due to the still volatile economic environment, this budget reflects minimal increases in the General Fund expenditures.

The following are some of the major accomplishments of the FY2016/FY2017 budget:

- **No millage increase for the past 22 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 \$50 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 \$50 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 grown the tax base, and maintenance of the County's sound fiscal condition today and the foreseeable future.
- **Leanest staffing per capita within the State.** Greenville County, the most populous County in the State of South Carolina, operates with the least amount of personnel per capita within our State. We offer quality and innovative services to our residents and have nationally recognized tourism and economic development draws while maintaining this lean staff presence. In this vein, this budget emphasizes streamlined services and continual realignment of resources to improve efficiency and minimize operational costs.
- **Completion of first budget cycle with the Recreation Department.** This budget addresses some critical deferred maintenance to keep parks and tourist attractions in excellent and safe condition with a few

expansions that meet critical needs among the population. Included in the budget are upgrades to athletic fields, improvements at Camp Spearhead, trail construction, ice repair and locker facilities at the Pavilion, and a community center for the Staunton Bridge Community.

- Investment in Technology.** In order to maintain low operational costs, this budget allots an important investment in technology that allows employees to maximize their productivity. Proposed for the next biennium are information technology improvements, imaging and digitization of court and ROD documents, and an ERP system to integrate the financial, purchasing, treasury, cashiering, and human resource areas.

BUDGET IN BRIEF

Greenville County’s biennium budget for FY2016 and FY2017 totals \$516,638,915. The FY2016 budget totals \$256,805,216 which is 12.44% greater than the FY2015 budget of \$228,401,480. The FY2017 budget totals \$259,833,699 which is 1.18% greater than the FY2016 budget. The following chart provides an overview of the County’s overall biennium budget for Fiscal Years 2016 and 2017 with comparison to the last biennium budget. The County’s total budget includes the General Fund, selected Special Revenue Funds, Debt Service, and Enterprise Funds.

	ADOPTED BUDGET FY2014	ADOPTED BUDGET FY2015	ADOPTED BUDGET FY2016	ADOPTED BUDGET FY2017
GENERAL FUND	\$ 140,193,909	\$ 144,814,151	\$ 154,662,442	\$ 160,659,290
SPECIAL REVENUE FUNDS	\$ 44,372,415	\$ 46,021,951	\$ 56,983,124	\$ 54,518,781
DEBT SERVICE FUND	\$ 18,501,715	\$ 18,233,372	\$ 21,590,746	\$ 22,621,060
ENTERPRISE FUND	\$ 22,003,332	\$ 19,332,006	\$ 23,568,904	\$ 22,034,568
TOTAL BUDGET	\$ 225,071,371	\$ 228,401,480	\$ 256,805,216	\$ 259,833,699
Percent Change			12.44%	1.18%

The General Fund operating and capital budget for the two-year period of FY2016 and FY2017 totals \$315,321,732. The General Fund operating budget for FY2016 (including salaries, operating, contractual and capital line items) totals \$154,662,442. This represents an increase of \$9,848,291 or 6.80% from the FY2015 budget. The General Fund operating budget for FY2017 (including salaries, operating, contractual, and capital line items) totals \$160,659,290. This represents an increase of \$5,996,848 or 3.88% as compared to the FY2016 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 19, 2015 First Reading
- June 2, 2015 Second Reading
- June 16, 2015 Public Hearing & Third Reading for FY2016
- July 21, 2015 Public Hearing & Third Reading for FY2017

HIGHLIGHTS

REVENUE ASSUMPTIONS

Ad Valorem Taxes- The County’s base property valuation is estimated to be \$2.1 billion, reflecting a growth in the base of about 3% over the prior year. In Fiscal Year 2016, five-tenths of one mil will be transferred from the

General Obligation Bonds Debt Service Fund to the General Fund. This transfer will be accomplished due to reduction in the debt service obligations for General Obligation Bonds. Over 58% 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 - Growth in the State's shared revenues for the Fiscal Year 2016 and Fiscal Year 2017 biennium budget is not anticipated.

EXPENDITURES

The County's expenditures are divided across several major service areas. The total County budget is projected to increase by 12.44%, with the General Fund increasing by 6.80%. Noteworthy changes to expenditures include:

PRIORITY 1 PUBLIC SAFETY

Sheriff's Office – Funding is included in the biennium budget for additional deputy positions. The budget adds ten deputy positions for FY2016 and ten deputy positions for FY2017 to respond to the increased volume of calls.

Sheriff's Office (E911) – Funding is included in the biennium budget in FY2016 for the acquisition of a new CAD system.

Coroner's Office - Funding is included in the biennium budget to add one deputy coroner position in FY2016 and an additional deputy coroner position in FY2017.

Emergency Medical Services – Funding is included in the biennium budget for eight paramedic positions, one communication specialist position, and one operational support technician position in FY2016. For FY2017, the budget includes funding for one additional communication specialist position and one operational support technician position. The budget also includes funds for additional medical supplies and increases in contractual obligations.

Detention Center – Funding is included in the biennium budget for additional detention officer positions. The budget adds two positions for FY2016 and two positions for FY2017. Funds are also included for audits, training, and increases in contractual obligations.

Forensics – Additional funding is included in the biennium budget for operation of the DNA laboratory.

Circuit Solicitor – The biennium budget includes funding for one assistant solicitor position in FY2016 and an additional assistant solicitor position in FY2017.

Circuit Public Defender – Funding is included for operations for the Public Defenders Office. The budget also includes an increase for current contract attorneys.

Magistrates – The biennium budget includes additional funding for one administrative support position in FY2016 and an additional administrative support position in FY2017 to assist with Bond Court.

Probate Court – Funding is included for two administrative support positions in FY2016 for Probate Court. These positions will be funded by an increase in the marriage license fee.

**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. In addition, \$3.4 million has been appropriated in each year for funding flood projects as part of the flood hazard mitigation program. Funds are also included for NPDES water quality retrofits and to implement a centralized electronic permitting process. Funding will be provided from the current stormwater utility fee.

Road Program – In the road program, a total of \$8.5 million is programmed for each year of the biennium - \$6 million for each year supported by the road maintenance fee and \$2.5 million supported by C Funds. 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 CONDITIONS**

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. In addition, many departments reduced certain line items for the biennium. Any other 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 moderate increase for health and dental insurance rates has been projected for both years of the biennium.

Salary Adjustment – The proposed budget anticipates an average 3.0% increase for FY2016 and 2.5% for FY2017. 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 \$2 million for vehicles and equipment is scheduled in both years of the biennium utilizing the master lease program. The budget also includes funding for additions to the fleet to support operations. A total of \$3 million for FY2016 and \$1 million for FY2017 is scheduled utilizing the master lease program.

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 \$30.2 million for FY2016 and \$49.7 million for FY2017 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 \$3.107 million for FY2016 and \$4.750 million for FY2017 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, repair of the Pavilion ice, trail construction, and construction of the Staunton Bridge Community Center gymnasium.

Economic Development Funding – The proposed budget includes \$2,923,388 for the biennium to be appropriated for the County’s economic development programs. This includes \$437,000 for the Upstate Alliance; \$2,286,388 for the Greenville Area Development Corporation (GADC) \$100,000 for NEXT, and \$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 that 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,

A handwritten signature in black ink, appearing to read 'Joseph M. Kernell', with a large, stylized initial 'J' and 'K'.

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 called for streamlining the government focus. This section outlines seven long-term goals that have shaped budgetary decisions for the upcoming biennium.

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

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

Provide for Stormwater Management System. Provide funding for drainage projects and stormwater system that allows for growth.

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 to encourage ridership; reduce traffic congestion and improve air quality

Provide for Transit Oriented Economic Development. Consider public transportation availability when planning for economic development to assist with ingress/egress of the workforce.

Increase Public Transportation. Continue to financially support the operations of the Greenville Transit Authority/Greenlink and the development of a community wide transit vision and master plan with other community based groups.

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

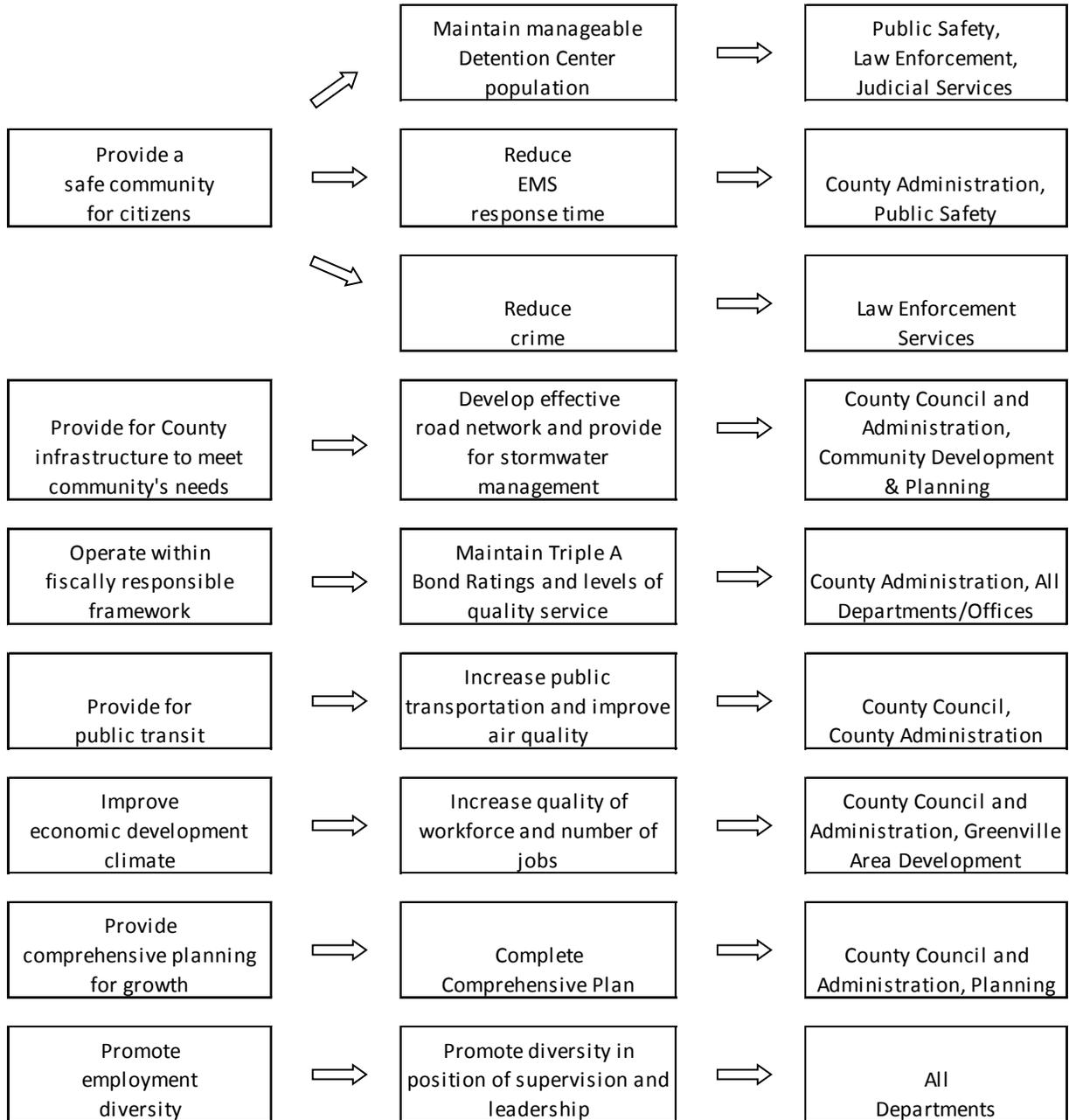
Prepare for the future ever mindful of the changing dynamics of growth

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.

PRIORITY AREA VII: EMPLOYMENT DIVERSITY

Value and respect diversity in experience and perspectives, take advantage of the backgrounds and abilities that employees provide, and promote greater diversity in positions of supervision and leadership

LINKING LONG- AND SHORT-TERM GOALS



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