

**County Administrator**

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May 21, 2013

Dear Chairman Taylor and Members of County Council:

I am pleased to present Greenville County's biennium budget for Fiscal Year 2014 and Fiscal Year 2015. This document provides the financial structure for the programs and services which Greenville County government will be undertaking over the next two years. The budget provides the resources needed to ensure the delivery of governmental services in a fiscally responsible manner. This budget is a continuation of the financially sound practices Greenville County government has established and embraced.

**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. First reading is scheduled for May 21, 2013 and second reading for June 4, 2013. The public hearing and third reading for the fiscal year 2014 budget is scheduled for June 18, 2013. The public hearing and third reading for the fiscal year 2015 budget is scheduled for August 2013.

**COUNTY FINANCIAL OVERVIEW**

The preparation of the biennium budget was more challenging this year due to the continued condition of the economy on the federal and state level. Most counties in South Carolina continue facing significant budgetary challenges as a result of national and state economies. Although Greenville County is certainly not immune to the resulting fiscal pressure, the County is positioned to deal with the impact of the economic uncertainty because of solid fiscal planning, strong financial management, and conservative budgeting during the past several years. 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 General Fund Balance of \$50 million.

Over the last few years, the County has been faced with responding to several revenue issues due to the economic downturn in the country. Fees collected by areas related to property development, such as building permits, subdivision reviews, and recording of deeds, have stabilized throughout the current fiscal year. The County also faced pressure responding to increases in health care costs; providing reasonable pay to employees; escalating utility costs; and fluctuating fuel costs.

As a result of these issues, the staff has spent many hours reviewing current service levels and budgets, with an emphasis on streamlining governmental services, reducing unnecessary expenses, and realigning resources. In the current year, savings measures have been instituted and operating expenditures have been reduced. Additional efforts to improve efficiency and reduce costs are being reviewed and will be implemented if feasible. Due to the uncertainty of today's economic environment at both the national and state level, Greenville County's budget reflects minimal increases in operating expenditures in the General Fund. The FY2014/FY2015

biennium budget still allows us to provide and meet our current level of services that are of deserved importance to the citizens of Greenville County.

## MAJOR BUDGET INITIATIVES

The recommended budget seeks to maintain the Council's priorities:

1. Public Safety: reduce crime; maintain a manageable jail population; reduce EMS response time
2. Infrastructure: reduce traffic congestion; establish a stormwater management system that allows for growth
3. Fiscal Condition: maintain triple A bond ratings; maintain levels in quality of services
4. Public Transit: increase public transportation; provide for transit oriented economic development
5. Economic Development: increase workforce quality; increase number of jobs/high paying jobs
6. Comprehensive Planning: complete the comprehensive plan
7. Diversity in Employment

The budget provides the necessary resources to address the ongoing needs of our citizens and the delivery of public services.

## BUDGET IN BRIEF

Greenville County's biennium budget for FY2014 and FY2015 totals \$451,920,251. The FY2014 budget totals \$225,073,371 which is 15.08% greater than the FY2013 budget of \$195,584,703. The FY2015 budget totals \$226,846,880 which is 0.79% greater than the FY2014 budget. The following chart provides an overview of the County's overall biennium budget for Fiscal Years 2014 and 2015 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 FY2012	ADOPTED BUDGET FY2013	ADOPTED BUDGET FY2013-2014	ADOPTED BUDGET FY2014-2015
<b>GENERAL FUND</b>	\$ 128,191,849	\$ 131,646,023	\$ 140,195,909	\$ 144,814,151
<b>SPECIAL REVENUE FUNDS</b>	\$ 27,834,921	\$ 27,429,119	\$ 44,372,415	\$ 44,466,951
<b>DEBT SERVICE FUND</b>	\$ 19,593,692	\$ 17,731,154	\$ 18,501,715	\$ 18,233,772
<b>ENTERPRISE FUND</b>	\$ 17,338,509	\$ 18,778,407	\$ 22,003,332	\$ 19,332,006
<b>TOTAL BUDGET</b>	<b>\$ 192,958,971</b>	<b>\$ 195,584,703</b>	<b>\$ 225,073,371</b>	<b>\$ 226,846,880</b>
<b>Percent Change</b>			<b>15.08%</b>	<b>0.79%</b>

The General Fund operating and capital budget for the two-year period of FY2014 and FY2015 totals \$285,010,060. The General Fund operating budget for FY2014 (including salaries, operating, contractual and capital line items) totals \$140,195,909. This represents an increase of \$8,549,886 or 6.49% from the FY2013 budget. The General Fund operating budget for FY2015 (including salaries, operating, contractual, and capital line items) totals \$144,814,151. This represents an increase of \$4,618,242 or 3.29% as compared to the FY2014 budget. The increase is attributed to salary increases, moderate increases for health insurance, and the addition of public safety positions.

### ***Revenue Assumptions***

***Ad Valorem Taxes***- The County's base property valuation is estimated to be \$2.01 billion, reflecting a growth in the base of about 3% over the prior year. In Fiscal Year 2014, three-tenths of one mil will be transferred from the Solid Waste enterprise fund to the General Fund. Also, one-tenth of one mil will be transferred from COPs debt service fund to General Obligation Bond debt service fund. This transfer will be accomplished due to reduction in the debt service obligations in the Certificates of Participation. Over 55% of Greenville County's budgeted revenue is derived from local ad valorem property taxes.

### **Expenditure Highlights**

The County's expenditures are divided across several major service areas. The total County budget is projected to increase by 15.08%, with the General Fund increasing by 6.49%. Noteworthy changes to expenditures include:

- **Sheriff's Office – Goal 1: Public Safety**

Funding is included in the biennium budget for additional deputy positions. The budget adds six positions for FY2014 and six positions for FY2015 to respond to the increased volume of calls.

- **Coroner's Office – Goal 1: Public Safety**

Funding is included in the biennium budget to upgrade a part-time deputy coroner position to full-time. Funding is also included to add one administrative position.

- **Emergency Medical Services - Goal 1: Public Safety**

Funding is included in the biennium budget for two communication specialist positions. The budget also includes funds for additional medical supplies and increases in contractual obligations.

- **Detention Center - Goal 1: Public Safety**

Funding is included in the biennium budget for additional detention officer positions. The budget adds six positions for FY2014 and four positions for FY2015.

- **Forensics/Records - Goal 1: Public Safety**

Funding is included in the biennium budget for two additional positions for the Forensic Division and one additional position for the Records Division.

- **Stormwater - Goal 2: Infrastructure**

The budget includes funding for neighborhood drainage improvement projects in the amount of \$600,000 in each year of the two year biennium budget. In addition, \$4.4 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 - Goal 2: Infrastructure**

In the road program, a total of \$9 million is programmed for the biennium -- \$4.5 million for each year. 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.

- **Planning and Code Compliance - Goal 2: Infrastructure**

Funding is included in the biennium budget for two additional inspector positions and one permit technician position. These positions are funded by increases in construction permit revenue.

- **Maintenance of Current Operating Expenditures – Goal 3: Fiscal Condition**

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. Increases for fuel, vehicle, and utility costs were included in the budget as these areas have increased substantially throughout the current biennium. Any other increases in operating expenditures are a result of the inclusion of expansion packages for enhanced services.

- **Employee Benefits – Goal 3: Fiscal Condition**

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 of 3.0% - Goal 3: Fiscal Condition***

The proposed budget anticipates an average 3.0% increase for both years of the biennium. These salary adjustments reflect the County's commitment to pay for performance of our employees, our most valuable resource.

- ***Vehicle Replacement - Goal 3: Fiscal Condition***

The budget includes funding to continue vehicle replacements for both fiscal years. A total of \$2,000,000 of vehicles and equipment is scheduled in both years of the biennium utilizing the master lease program.

- ***Grants - Goal 3: Fiscal Condition***

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

- ***Capital Projects - Goal 3: Fiscal Condition***

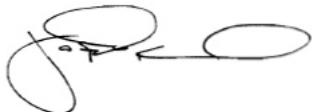
A total of \$10.370 million for FY2014 and \$35.827 million for FY2015 is included in the Capital Improvement Program to support technological enhancements, equipment replacement, and facility improvements.

- ***Economic Development Funding - Goal 5: Economic Development***

The proposed budget includes \$2,223,547 for the biennium to be appropriated for the County's economic development programs. This includes \$321,000 for the Upstate Alliance for the two-year budget. The remaining funds are allocated to the Greenville Area Development Corporation (GADC) for the biennium.

As we bring to a close yet another budget development process, it has been a pleasure to work with the County Council to allocate the public resources in accomplishing the County's goals. Also, it is a privilege serving with the professionals that make up the entire County organization as we strive to provide the level of services needed and desired by our citizens. I sincerely appreciate the commitment of our staff in serving our citizens and conducting the County's business.

Sincerely,



Joseph M. Kernal  
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**

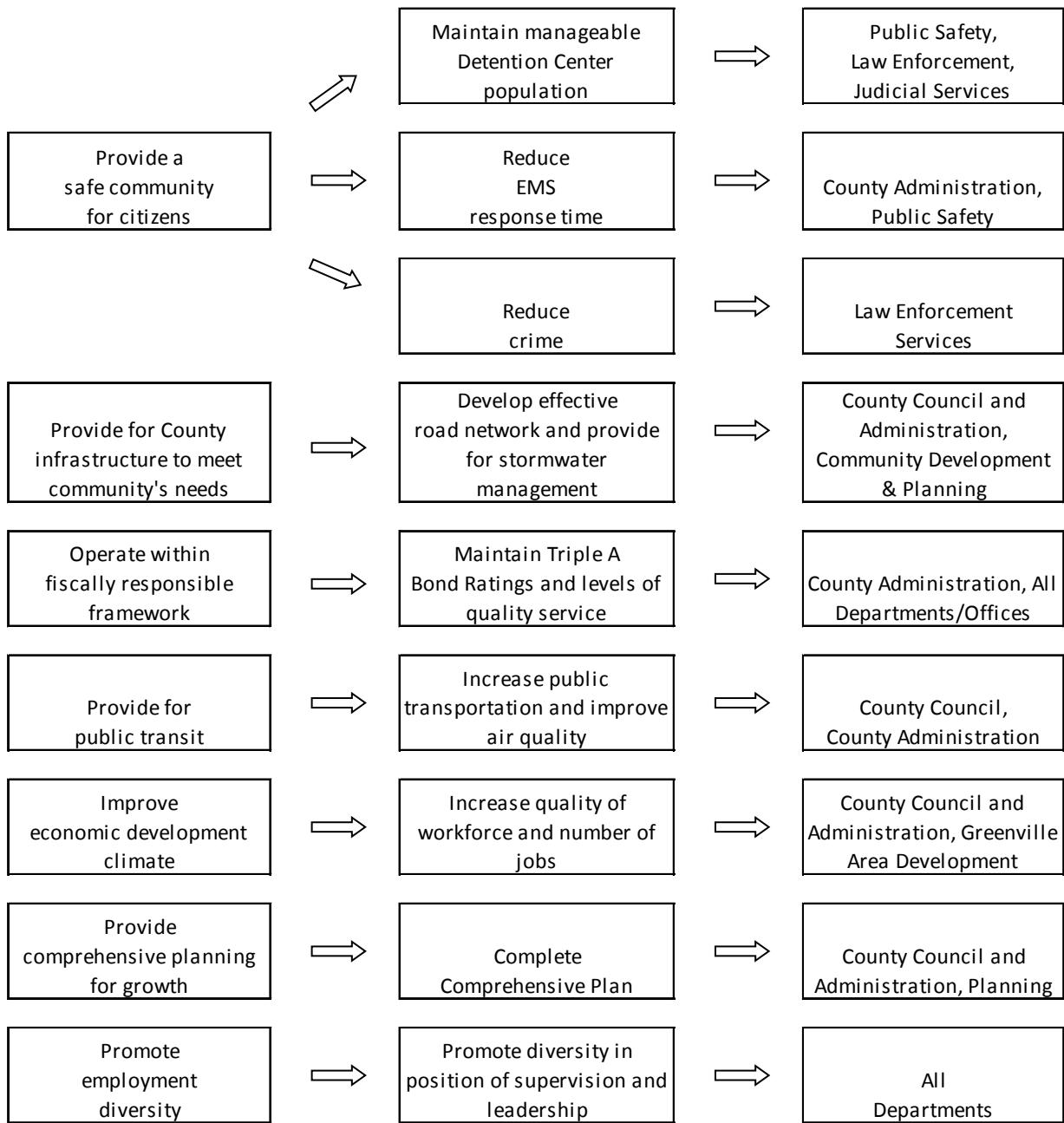
*Prepare for the future ever mindful of the changing dynamics of growth*

*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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