



2009
Budget
Introduction
to
Charleston City
Council

Mayor Joseph P.
Riley, Jr.
November 25,
2008

- Because of multiple uncertainties in economic conditions, toughest budget in 33 years.
- Mission and values > Core Services

Mission:

- To preserve and enhance the quality of life of the citizens of the City of Charleston.

Values:

- **Citizens...**We value our diversity and are committed to treating every resident with respect, honesty and courtesy.
- **Public Safety...**We value every citizen's safety and understand that safe, public spaces and neighborhoods are essential to our quality of life.
- **Quality Services...**We value providing high quality municipal services at the lowest possible cost to our residents.
- **Physical Place...**We value our unique natural resources, our man-made environment, public realm and neighborhoods, and we understand how our physical place affects each resident's quality of life.
- **Regional Partnerships...**We value working with other government entities within our region to sustain and improve the quality of life for all citizens.

Budget Summary

- Revenues forecast down (less Fund Balance) -1.0%
- Expenditures forecast up +0.49%
- With cuts, still must use Undesignated Fund Balance to cover 1.5% of required revenues

“A financial crunch owing to a fundamental mismatch between income and outflows requires a different approach from one that arises out of a temporary downturn in revenues. Temporary downturns that are reasonably anticipated to last less than two or three years could be weathered by using reserves...”

“Fiscal First Aid,”
Review, Oct. 2008

Kavanagh & Purcell,
Government Finance

Revenues

- Property tax collection rates reduced by 3.0%
- Construction Permit projections greatly reduced 45.3% from 2006 high
- Business License collections projections lowered 4.37% from 2008 high
- State of South Carolina State aid to sub-division reduced by 18%
- All Tourism related income projections lowered 15%

Revenues

- No tax increases
- One revenue source increase...On-street parking ticket increased from \$8/per to \$14/per.

Behavioral modification >
garages vs. parking illegally

Expenditures – General

- Public Safety additions
 - Four civilian positions > four police officers
 - Twelve additional fire fighters...November 2009
- Travel & Training and Memberships and Publications cut 60% city-wide including Mayor's Office and City Council
- Office Supplies accounts cut 25% city-wide
- Budgeted personnel numbers envision delayed hiring pattern throughout 2009

Expenditures – Pay

- Graduated cost of living increase (2% to 0%)
- Police and Fire Fighter...flat 1.5%
- \$60,000 and above...No increase
- Small, but still costly...\$870,000/year

Expenditures – Healthcare

- Net increase to city of \$1.04M/year
- 2009 increase largely driven by increased enrollment
- Still great success story..11% growth over period from 2006 to 2009 (2.75%/year)

“When written in Chinese the word ‘crisis’ is composed of two characters – One represents danger and the other represents opportunity.”

John F. Kennedy, April 1959

Changes

- Planning, Preservation & Economic Innovation becomes Planning, Preservation & Sustainability (PP&S)
- Create a Sustainability Director who will integrate city's energy efficiency, waste reduction and recycling, green technology use and sustainable land use policies.

Changes

- New division in PP&S...Business Services-targeted to supporting, sustaining and growing existing businesses.
- Economic Development Division eliminated

Changes

- All City Business Development efforts consolidated in Executive Department
- Ernest Andrade will be Business Development Director reporting directly to Mayor
- During challenging times > laser like focus on targeted business development strategy

Changes

All of the changes
(Sustainability, Business
Services and Business
Development) were
accomplished without
increasing overall costs

Conclusions

- Tough, tough budget year
- Fiscally conservative budget that protects delivery of Core Services
- Available to discuss with any member of Council in next two weeks