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Passcode:789093 +13092053325 Webinar ID: 896 7313 1590



**City of Beaufort**  
1911 Boundary Street  
Beaufort Municipal Complex  
Beaufort, South Carolina 29902  
(843) 525-7070

**City Council Special Council Meeting and Budget Workshop Agenda  
April 21, 2026**

**Statement of Media Notification**

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

**Special Council Meeting and Budget Workshop - Council Chambers - 2nd Floor - 5:00 PM**

**Please note, this meeting will be broadcast via zoom and live-streamed on YouTube. You can view the meeting at the City's page; City Beaufort SC**

- I. Call to Order - Philip Cromer, Mayor**
- II. Invocation and Pledge of Allegiance - Mayor Pro Tem, Michael McFee**
- III. Public Comment**
  - A. PLEASE LIMIT YOUR REMARKS TO FIVE MINUTES - The Mayor may interrupt public comments that continue past five minutes, or are disruptive - Persons violating these rules may be required to leave the meeting - [Public Comment Form](#)
- IV. New Business**
  - A. An ordinance amending Part 7 of the Code of Ordinances of the City of Beaufort, South Carolina and Section 3.6.2.C.2 of the Beaufort Development Code to adopt provisions regarding Short-Term Rentals - First Reading
- V. Discussion**
  - A. Fiscal Year 2027 Draft Recommended Budget
- VI. Executive Session**
  - A. Pursuant to Title 30, Chapter 4, Section 70 (a) (1) of the South Carolina Code of Law: Discussion regarding personnel appointed by City Council.
- VII. Adjourn**



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**City of Beaufort**  
Department Request for City Council Agenda Item

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**To:** City Council **Date:** 04/17/2026  
**From:** Curt Freese, Community Development Director  
**Item Name:** An ordinance amending Part 7 of the Code of Ordinances of the City of Beaufort, South Carolina and Section 3.6.2.C.2 of the Beaufort Development Code to adopt provisions regarding Short-Term Rentals - First Reading  
**Meeting Date:** April 21, 2026  
**Department:** Community Development Department

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**Background Information:**

**Introduction:**

**Purpose of April 21 First Reading**

Finalize STR ordinance and approve changes discussed at the 3/10/26 and 4/14/26 Council meeting and 3/24/26 Worksession with a new First Reading.

**Background:**

**First Reading/Ordinance Changes from 3/10/26, 4/14/26 Council and 3/24/26 Worksession**

The following is a summary of the changes discussed at the three meetings incorporated into this new ordinance to be heard at the Special Council Meeting on 4/21/26.

**4% Cap on the entire City**

Establishes a maximum of 4% of eligible dwelling units citywide that may operate as short-term rentals to limit overall concentration. At current numbers, 4% is 194 STRs.

**3% Cap on National Historic Landmark District**

Imposes a stricter 3% cap within the National Historic Landmark District to better preserve historic character and residential integrity. At current numbers, 3% is 32 STRs.

**Removal of The Point restriction**

Removes restriction in which no STR's may be permitted in the Point neighborhood. Now, the Point will operate under the current 3% cap.

**Removal of counting legal non-conforming existing STR's towards the cap**

Existing STR's are no longer exempted from the cap, therefore limiting concentration and ability for new STR permits in the City, while still honoring their non-conforming status.

**Removal of ADU restriction of owner occupied only**

Accessory dwelling units are no longer required to be owner-occupied to qualify as STRs, increasing flexibility for property owners.

**Addition of one hour notice to owner/manager**

Requires the owner or designated agent to respond to complaints within one hour, strengthening accountability and responsiveness.

**Addition of notice to adjoining owners at approval**

Mandates formal notice to adjoining property owners upon STR approval to improve transparency and neighborhood awareness

**Addition of Special Exception for an additional STR under special circumstances**

Adds a discretionary process allowing additional STR permits under defined hardship or unique circumstances, subject to administrative review.

**Addition of Abandoned and Dilapidated Property Purchaser Incentive**

Provides an exemption from caps for purchasers who rehabilitate qualifying abandoned or dilapidated properties honoring their investment based on the previous STR ordinance.

**Addition of Three Strike policy and violations**

Implements a tiered yet fair enforcement system where repeated violations within a 12-month period can result in license suspension or revocation. Addition of violation give City more discretion to enforce rules on problem properties.

**Transfer Language: SC Code § 12-37-3150**

Staff has left this section unchanged, as subsections B of the statute allow exemptions for an assessable transfer of interest” (ATI) for corporations.

**Legal Authority:**

S.C. Code § 5-7-30

**Staff Recommendation:**

Approval.

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**Placed on Agenda For:**

Action

**Attachments:**

1. city council memo 4\_21\_26 (002) new
2. STR ORDINANCE
3. Ex A and B STR ordinance new cf[47]\_x



**CITY OF BEAUFORT**  
**Community Development Department**

SCOTT MARSHALL  
City Manager

1911 BOUNDARY STREET  
BEAUFORT, SC 29902  
(843) 525-7011  
FAX (843) 986-5606

CURT FREESE  
Community Development  
Director

**April 16, 2026**

**To: City Council**

**From: Curt Freese, Community Development Director**

**Re: STR changes First Reading April 21, 2026**

**Purpose of April 21 First Reading**

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**First Reading/Ordinance Changes from 3/10/26, 4/14/26 Council and 3/24/26 Worksession**

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**Transfer Language: SC Code § 12-37-3150**

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CITY OF BEAUFORT ORDINANCE 2026/11

AN ORDINANCE AMENDING PART 7 OF THE CODE OF ORDINANCES OF THE CITY OF BEAUFORT, SOUTH CAROLINA AND SECTION 3.6.2.C.2 OF THE BEAUFORT DEVELOPMENT CODE TO ADOPT PROVISIONS REGARDING SHORT-TERM RENTALS

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**WHEREAS**, the State of South Carolina has conferred to the City of Beaufort (hereinafter “City”) the power to enact ordinances “in relation to roads, streets, markets, law enforcement, health, and order in the municipality or respecting any subject which appears to it necessary and proper for the security, general welfare, and convenience of the municipality or for preserving health, peace, order, and good government in it . . .” as set forth in S.C. Code Ann. § 5-7-20; and

**WHEREAS**, pursuant to S.C. Code § 6-1-400 et seq., municipalities are authorized to levy and administer business license taxes and to regulate businesses operating within their corporate limits; and

**WHEREAS**, the City Council finds that the operation of short-term rentals constitutes a business use requiring business licensing and reasonable regulation to protect residential neighborhood integrity, public safety, and the quiet enjoyment of property; and

**WHEREAS**, the growth of short-term rentals has created the need for clear standards regarding licensing, safety, density limitations, notification to neighbors, and ongoing compliance; and

**WHEREAS**, City Council has determined that amendments to Section 7-1001 of the Code of Ordinances and Section 3.6.2.C.2 of the Beaufort Development Code and the adoption of a new Chapter 18 – Short-Term Rentals are necessary and appropriate to establish fair, consistent, and enforceable procedures governing short-term rental operations within the City; and

**WHEREAS**, Council further finds that the amendments herein are consistent with the City’s police powers and with applicable provisions of state law, including but not limited to S.C. Code §§ 12-43-220(c), 12-37-3150, 27-32-10(9), and 27-32-250(1); and

**WHEREAS**, City Council has duly considered these amendments following required notice, public readings, and deliberation in accordance with S.C. Code § 5-7-270; and

**WHEREAS**, the Planning Commission has the duty to review and make recommendations to the City Council regarding amendments to the text of the Beaufort Development Code pursuant to Sections 9.16 and 10.2.1.A.3.b. of the Beaufort Development Code; and

**WHEREAS**, the Planning Commission has reviewed and made recommendations for the amendment of Section 3.6.2.C.2 of the Beaufort Development Code; and

**WHEREAS**, a public hearing before the Beaufort Planning Commission was held regarding changes to the recommended amendments on September 15, 2025, with notice of the hearing published in *The Beaufort Gazette* on August 28, 2025; and

**WHEREAS**, Council has reviewed the proposed amendment to Section 3.6.2.C.2 of the Beaufort Development Code and finds that it is appropriate to approve that proposed amendment with modifications.

**NOW, THEREFORE, BE IT ORDAINED THAT THE FOLLOWING SECTIONS OF THE CITY OF BEAUFORT CODE OF ORDINANCES ARE MODIFIED AS DESCRIBED BELOW:**

1. Section 1. Amendment to Code of Ordinances. The last sentence of subsection 7-1001(d) of the Code of Ordinances, which reads: “All short-term rentals require a business license.” shall be stricken. The remainder of subsection 7-1001(d) shall remain unaffected.
2. Section 2. Creation of New Chapter. A new chapter entitled: “CHAPTER 18. – SHORT-TERM RENTALS” the text of which is attached hereto as Exhibit A, is hereby added to Part 7 of the Code of Ordinances.
3. Section 3. Amendment to Development Code. Section 3.6.2.C.2 of the Beaufort Development Code is hereby stricken and replaced with the following: “2. Short Term Rental: Issuance of a City business license for the operation of a short-term rental.”
4. Section 4. Severability. If any section, subsection, or provision of this Ordinance is held invalid, such invalidity shall not affect other provisions.
5. Section 5. Effective Date. This Ordinance shall become effective upon second and final reading and adoption by City Council, in accordance with S.C. Code § 5-7-270.

\_\_\_\_\_  
PHILIP E. CROMER, MAYOR

ATTEST:

\_\_\_\_\_  
TRACI GULDNER, CITY CLERK

1st Reading: \_\_\_\_\_

2nd Reading & Adoption: \_\_\_\_\_

Reviewed by City Attorney: \_\_\_\_\_

## EXHIBIT A

### CHAPTER 18. – SHORT TERM RENTALS

#### Sec. 7-18001. - Definitions.

- (a) Designated Agent. An attorney, real estate agent, or property manager licensed in the State of South Carolina who has been designated by the owner of a short term rental to act on the owner’s behalf relating to the business and operation of the short term rental.
- (b) Dwelling Unit. A room or group of internally connected rooms that may be either an improvement to real property or a boat in an approved marina that have sleeping, cooking, eating, and sanitation facilities, but not more than one kitchen, which constitute an independent housekeeping unit, occupied by or intended for one household on a long-term basis.
- (c) Investment Short Term Rental (“ISTR”). A short term rental that is not the legal residence of the owner.
- (d) Legal Residence. A dwelling unit taxed on an assessment equal to four percent of the fair market value of the property assigned a 4% property tax ratio by the Beaufort County Assessor's Office under the requirements pursuant to S.C. Code § 12-43-220(c).
- (e) Owner-Occupied Short Term Rental (“OSTR”). A short term rental which is the legal residence of the owner of the short term rental.
- (f) Parcel. A piece of real property to which Beaufort County has assigned a unique property identification number.
- (g) STR Occupant. Any person who rents a short term rental.
- (h) Short Term Rental (“STR”). A dwelling unit, or any portion thereof, rented for the purpose of overnight lodging for any periods of less than thirty (30) days and used in a manner consistent with the residential character of the dwelling. The following are not considered STRs:
  - a. Tourist accommodations, including hotels, motels, inns, and bed and breakfasts;
  - b. Dwelling units which are subject to “vacation time sharing plans” as defined in S.C. Code § 27-32-10(9); and
  - c. Dwelling units which are subject to "vacation multiple ownership interests" as defined in S.C. Code § 27-32-250(1).
- (i) Conveyance. An assessable transfer of interest in real estate triggering an appraisal and reassessment for taxation purposes as defined described by SC Code § 12-37-3150.
- (j) Notice: Within ten (10) days following the approval and issuance of a business license for a short-term rental, the City shall provide written notice to all owners of adjoining properties, including those directly adjacent, diagonally adjacent, and across any street or alley. Such notice shall be sent via first-class mail. The notice shall include the following:
  - (1) The Street address of the Short Term Rental;
  - (2) The name and contact information of the licensee or designated local agent;
  - (3) A summary of applicable Short Term Rental Regulations; and
  - (4) Contact information for reporting complaints or concerns to the Codes Enforcement/Business License department.

Sec. 7-18002. - Requirements for Licensure of STRs.

(a) Limitation on Number of STRs.

- (1) No more than four percent (4%) of the dwelling units in the City of Beaufort zoned T3-S, T3-N, T4-HN, T4-N, and T5-UC may be STRs.
- (2) No more than three percent (3%) of the dwelling units within the boundaries of the National Historic Landmark District may be STRs.
- (3) In the event that a business license would be issued but for the application of the above-described cap on number of STRs, the proposed STR will be added to a waitlist. When the cap on the number of STRs for the City is no longer met, the City shall utilize the waitlist to determine licensing for new STRs.
- (4) There shall be no more than one STR per parcel of real property.

(b) Limitation on Adjacency of STRs.

- (1) No STR may be located closer than three hundred feet (300') to any other STR. The distance between STRs shall be located from the closest point between boundary lines of the parcels of real property on which the STRs are located.
- (2) Any properly licensed STR operating before the effective date of this ordinance is exempt from this requirement unless and until there is a conveyance of the STR, there is a revocation of the STR owner's business license, there is a revocation of the STR's business license, or the STR has not been rented for a period of six months or more.

(c) Accessory Structures as STRs.

- (1) Accessory structures, to include without limitation, accessory dwelling units, carriage houses, or pool houses, may be used as an STR subject to the provision that there shall be no more than one STR per parcel of real property.

(d) The minimum stay for STRs is two nights.

(e) Parking

- (1) Parking shall be provided on-site and located to the side or rear of the dwelling.
- (2) On-site parking shall be clearly delineated with an improved surface such as pavement, gravel, or another method approved by the license official.
- (3) If formalized parking is provided on the street(s) adjacent to the STR, this may be utilized in lieu of on-site parking.
- (4) The number of vehicles allowed to be parked at a STR shall be determined in the discretion of the license official and be based on the number of bedrooms and the design of the driveway.

(f) The owner or designated agent of the STR shall utilize a rental agreement which specifies the following:

- (1) The minimum stay;
- (2) The maximum number of guests;
- (3) The maximum number of vehicles permitted at the unit;
- (4) Where guests are to park;
- (5) Reference to and inclusion of a copy of the City's noise ordinance;
- (6) The prohibition of large gatherings such as weddings and reunions unless specifically approved by the City;
- (7) That pets, if permitted, are not to be left outside unattended.

- (g) Property Management. The owner or designated agent shall maintain a property management plan which specifies:
  - (1) Whether the owner or designated agent will be managing the property;
  - (2) That the person managing the property must be available to appear on the premises to respond to a complaint within one hour of being notified by the City;
  - (3) That there is a back-up property manager, unless the owner or registered agent certifies that the STR will not be rented when the owner or registered agent is not physically present in the City; and
  - (4) That the license official will be notified immediately when any information contained in the property management plan is changed.
- (h) Rental rules, including use of the sanitation and recycling roll-carts, and emergency contact information including the police non-emergency number, shall be posted in a conspicuous location in the STR.
- (i) On-site signs are prohibited.
- (j) A monitored fire alarm is required for all STRs except boats. Boats are required to provide documentation that a Coast Guard Auxiliary Safety Vessel Check has been performed. The Vessel Safety Check can be arranged through this link: <http://www.cgaux.org/vsc>. Existing facilities not meeting this requirement shall be brought into conformance within six months of the date of adoption of this Code.
- (k) Outside Approvals Required.
  - (1) For properties subject to restrictive covenants, written confirmation from the president of the homeowners association that short term rentals are permitted on the property is required. If the homeowners association president fails or refuses to provide such confirmation or there is no active homeowners association, the property owner must provide other documentation which confirms that short term rentals are not prohibited on the property.
  - (2) For multifamily structures and developments, property management for the structure or development must provide written approval of the proposed short term rental.
- (l) The owner of the STR must make proper payment of local, county, state, and federal taxes.
- (m) The STR shall be subject to and pass an inspection by the City for the purposes of confirming the safety of the STR and the STR's compliance with the City's ordinances and other applicable law.
- (n) The STR shall comply with all business license, revenue collection, and health laws of the City of Beaufort, Beaufort County, and the State of South Carolina.
- (o) No STR may operate in a dwelling unit for which a certificate of occupancy has not been issued.
- (p) STRs shall only be operated by the owner of the STR or a Designated Agent.
- (q) An annual short term rental fee, as set by City Council and reviewed periodically, shall be paid in addition to the business license tax required by Sec. 7-1004.
- (r) STR Occupancy.
  - (1) The maximum number of adult guests shall be no more than two per bedroom;
  - (2) STR occupants may not host events attended by more than twenty-five people; and

- (3) STR occupants may not play outdoor amplified music, including without limitation bands, deejays, music broadcast through speakers and electronic musical instruments.

(s) Special Exception

(1) Purpose. The purpose of this section is to provide a limited, discretionary process for property owners to obtain approval for one or more additional Short-Term Rental (STR) licenses beyond any numerical cap, or per-parcel restriction established elsewhere in this Chapter, while protecting neighborhood character, public safety, and the overall balance of residential uses.

(2) Applicability.

This section applies notwithstanding any other provision limiting the number of STR licenses (e.g., city-wide cap, neighborhood percentage cap, or one-STR-per-parcel rule). A special exception may be granted only for properties that are otherwise eligible for an STR license under this Chapter. (C) Eligible Criteria. An applicant may qualify for a special exception upon demonstrating at least one of the following:

- i. Medical Hardship. The owner (or the owner's spouse, parent, child, or dependent) has a documented medical condition that prevents the owner from occupying the property as a primary residence and requires income from additional rental(s) to offset care costs or mortgage obligations.
- ii. Inheritance or Estate Transfer. The property was inherited or received through probate/estate proceedings, and the additional license is needed to maintain financial viability during transition.
- iii. Owner-Occupied Hardship or Expansion. The owner resides on the property and seeks to convert an accessory dwelling unit (ADU), carriage house, or similar structure into an additional STR while maintaining primary occupancy.
- iv. Unique Circumstances. Other exceptional circumstances (e.g., documented economic hardship tied to the property, historic preservation needs, or public benefit) that the decision-maker finds consistent with the purpose of this section and not contrary to the public interest.

(3) Application Requirements

The applicant must submit to the Business License Administrator (or designated City official):

- i. A completed Special Exception Application Form.
- ii. A non-refundable application fee, the amount of which shall be set by the City's Fee Schedule as reflected in the current Fiscal Year Consolidated Budget Ordinance, or amendments thereto, as applicable.
- iii. Supporting documentation (medical records with HIPAA-compliant release, probate documents, tax records, site plans, etc.).

- iv. A statement addressing potential neighborhood impacts (parking, noise, traffic) and proposed mitigation measures.
- v. Proof of current compliance with all STR requirements (business license, safety inspection, registration, etc.).
- vi. Any other information reasonably requested by the Administrator.

(4) Decision-Making Process.

The Business License Administrator shall review the application and may approve, approve with conditions, or deny it within 30 days. The Administrator shall consider:

- i. Compliance with eligibility criteria;
- ii. Impact on neighborhood character and concentration of STRs;
- iii. Public safety and code compliance;
- iv. Consistency with the Comprehensive Plan and this Chapter.
- v. Written findings of fact and conclusions shall accompany the decision.
- vi. Notice of the application may be sent to adjacent property owners at the Administrator's discretion.

(5) Conditions of Approval

Any granted special exception may include reasonable conditions, such as:

- i. Annual recertification of hardship;
- ii. Additional parking or noise mitigation requirements;
- iii. Limits on rental frequency or maximum occupancy;
- iv. Revocation triggers for noncompliance;
- v. Time-limited approval (e.g., 1–3 years, renewable).

(6)Appeal.

Any denial or imposed condition may be appealed to the City Council (or a designated Hearing Officer) within 30 days. The appeal shall be heard at a public meeting with notice. The Council's decision is final.

(7) Termination and Revocation.

A special exception license terminates upon:

- i. Transfer of the property (unless inheritance exception applies), failure to recertify qualifying conditions, or violation of any condition.
- ii. The license may be revoked administratively for repeated violations of this Chapter (three or more within 12 months) or for providing false information.
- iii. Medical hardship exceptions shall be limited to one additional license per owner.

(8) Non-Transferability.

Special exception licenses issued under this section are non-transferable except in cases of approved inheritance.

(t) Abandoned and Dilapidated Property Purchaser Incentive.

(1) Notwithstanding the caps established in this section, a Short Term Rental permit may be issued to a purchaser of a property that:

- i. Was identified by the City of Beaufort on an official abandoned and/or dilapidated property list at any time between September 1, 2025, and May 12, 2026 and
- ii. Was acquired by the current owner during that same time period; and
- iii. Has been brought into full compliance with all applicable building, safety, and zoning requirements following acquisition; and
- iv. Has received a certificate of occupancy or final inspection approval.

(2) The exemption provided herein shall apply only to the initial purchaser who rehabilitated the property and shall not run with the land. Any subsequent conveyance of the property shall subject the Short Term Rental to all applicable caps and regulations in effect at that time.

(3) Permits issued under this subsection shall not count toward the caps established herein.”

Sec. 7-18003. – Addendum to Business License Application.

- (a) When seeking a business license for the operation of a STR, the STR’s owner or designated agent shall submit a STR Addendum with the business license application required by Sec. 7-1005.
- (b) The STR Addendum shall be in a form prepared by and maintained by the license official and shall provide the information necessary for the license official to determine whether the proposed STR is compliant with the requirements of Sec. 7-18002.
- (c) Only the STR’s owner or designated agent may submit a STR Addendum.
- (d) A revised STR Addendum shall be submitted to the license official within sixty (60) days following any change in the information provided in a prior STR Addendum.

Sec. 7-18004 Violations.

The following shall constitute violations of this Chapter, including but not limited to:

- a) Operating or advertising a short term rental without a valid business license;
- b) Providing false or incomplete information on any application or required document;
- c) Exceeding occupancy limits or allowing unauthorized events or gatherings;
- d) Failure to comply with parking requirements or exceeding approved vehicle limits;
- e) Failure to comply with noise, trash, litter, or other nuisance ordinances;
- f) Failure to post required information within the short term rental;
- g) Failure of the owner or designated agent to respond to complaints within the required time;
- h) Renting separate rooms or portions of a dwelling unit under multiple contracts simultaneously;
- i) Advertising or operating the property in a manner inconsistent with this Chapter;

- j) Failure to maintain required safety equipment or pass required inspections;
- k) Failure to maintain required licenses, permits, or tax compliance;
- l) Any violation of City ordinances arising from the use of the property as a short term rental.

Sec. 7-18005 – Enforcement.

(a) Three-Strike Enforcement Policy.

(1) A strike shall be assessed when the owner, designated agent, occupant, or guest is convicted of or found responsible for a violation of this Chapter or other applicable City ordinances related to the use of the short term rental.

(2) Strikes shall be counted on a rolling twelve (12) month period.

(3) Multiple violations occurring during a single rental period shall constitute one strike.

(4) The City shall provide written notice of each strike to the licensee or designated agent.

(5) Enforcement shall proceed as follows:

a. First strike: written warning;

b. Second strike: final warning;

c. Third strike: suspension, revocation, or non-renewal of the business license.

(6) Upon a third strike within a twelve (12) month period, the licensee shall be deemed to have violated the conditions of the business license and shall be subject to revocation proceedings pursuant to Sec. 7-1016.

(7) Strikes shall reset upon a bona fide transfer of ownership with no common ownership interest.

(8) Strikes are cumulative and in addition to all other penalties authorized by law.

(b) Any person who has violated any of the provisions of this chapter is deemed to have “breached any condition upon which the license was issued or has failed to comply with the provisions of this chapter” for the purposes of Sec. 7-1016(2).

(c) Any person violating any provision of this chapter shall be deemed guilty of an offense and shall be subject to a fine of up to five hundred dollars (\$500.00) or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this chapter.

(d) Any person who operates a STR without a business license shall be subject to the above-stated penalties and shall be prohibited from receiving a business license for the operation of STR for a period of two years.

**Exhibit B**

**Text of Sec. 3.6.2.C.2. to be stricken and replaced with the following:**

3.6.2.C.2. **Short Term Rental:** Issuance of a City business license for the operation of a short term rental.



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**City of Beaufort**  
Department Request for City Council Agenda Item

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**To:** City Council **Date:** 04/17/2026  
**From:** Scott Marshall, City Manager, Alan Eisenman, Finance Director  
**Item Name:** Fiscal Year 2027 Draft Recommended Budget  
**Meeting Date:** April 21, 2026  
**Department:** Finance Department

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**Background Information:**

**Introduction:**

The fiscal year 2027 draft recommended budget is presented for discussion. This draft represents a total Fiscal Year 2027 budget of \$73.5 million, which includes \$25.5 million in capital projects funding

**Background:**

Following discussion of the draft recommended budget, staff will adjust the budget as needed prior to public hearing and first reading, which will be on the City Council May 12, 2026 meeting agenda. The next steps in the FY27 budget process include department budget presentations during City Council Work Session on Tuesday, April 28.

**Legal Authority:**

S.C. Code Ann. § 5-7-260; Title 5, Chapter 7

**Staff Recommendation:**

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**Placed on Agenda For:**

**Attachments:**

1. FY 2027 Draft Recommended Budget Presentation

# City of Beaufort, South Carolina



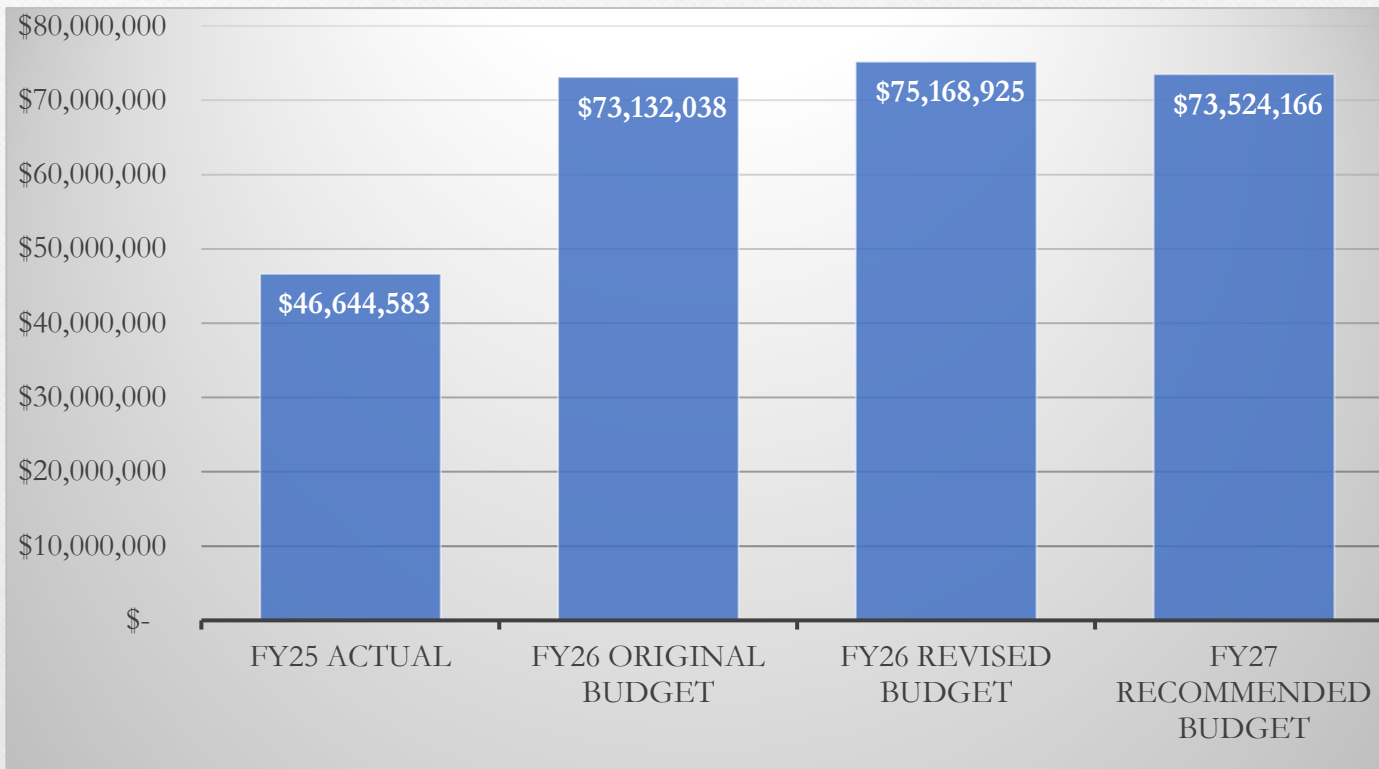
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**FISCAL YEAR 2027  
DRAFT RECOMMENDED BUDGET  
BUDGET WORK SESSION  
APRIL 21, 2026**

# FY27 Draft Recommended Budget

**\$73,524,166**

*\*Includes \$25.5M in Capital Project Fund*



# City Manager Highlights

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- Overall millage rate remains flat at 73.9
- Value of a mill = \$153,274
- Capital Projects Budget = \$25.5M
- \$100K for Housing Repair Assistance

# City Manager Highlights

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- 2% COLA for City Employees
- Up to 2% merit increase based on performance evaluation
- 3% increase in health care coverage is absorbed in the budget with no burden to employees

# Strategic Partner Assistance



\$42,000



\$102,778



\$75,000



\$100,000



\$402,500



\$6,210



\$10,000



\$45,000



\$5,000



\$5,000

# What's New for FY27?

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- Three new positions
  - Three Patrolman III Positions for Police Department partially funded by COPS Hiring Grant
- Tag Fee of \$32.00/vehicle to offset ROW maintenance and street sweeping on SCDOT roads.
- \$1,000 Annual Short-Term Rental License Fee
- Establishment of Debt Service Fund to budget and record City's debt payments in one fund

# Next Steps

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April 28

*Department Director presentations in Council  
Work Session*



May 12

*Public Hearing and First Reading of FY27  
Recommended Budget*



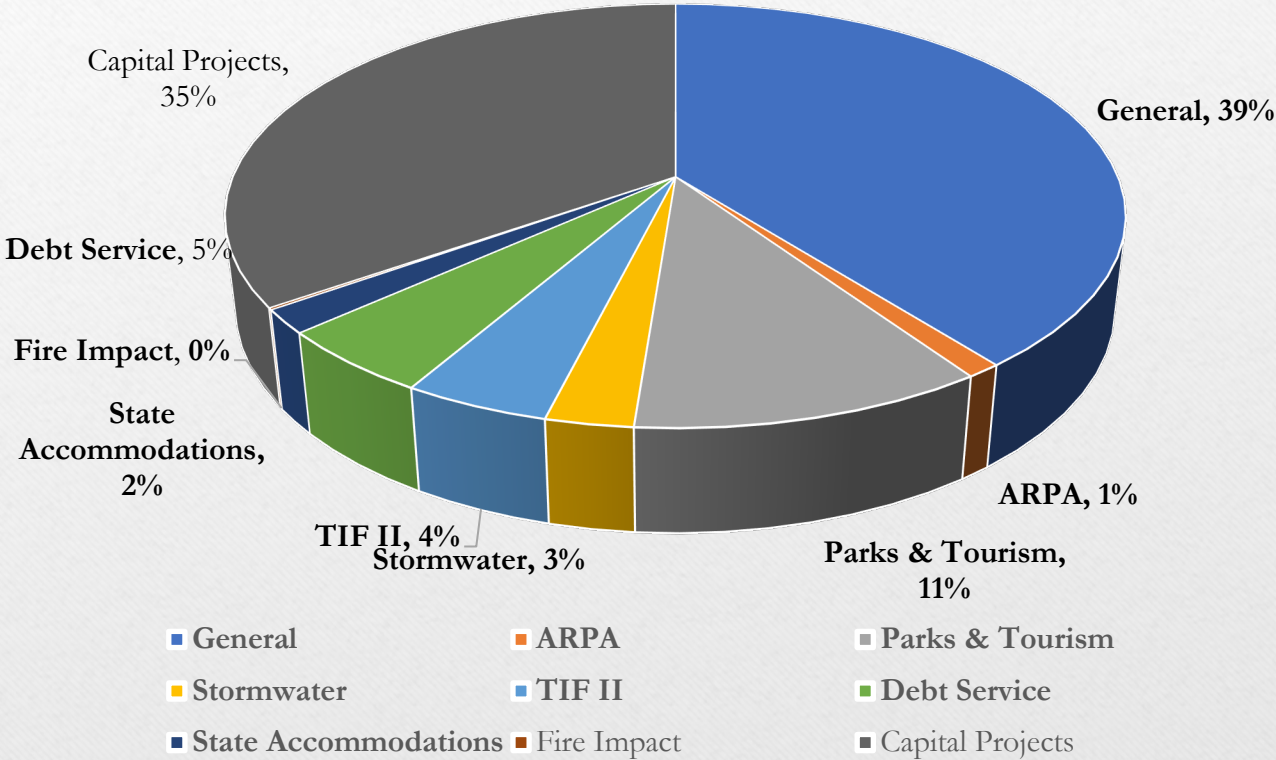
June 9

*Second and Final Reading of FY27  
Recommended Budget*

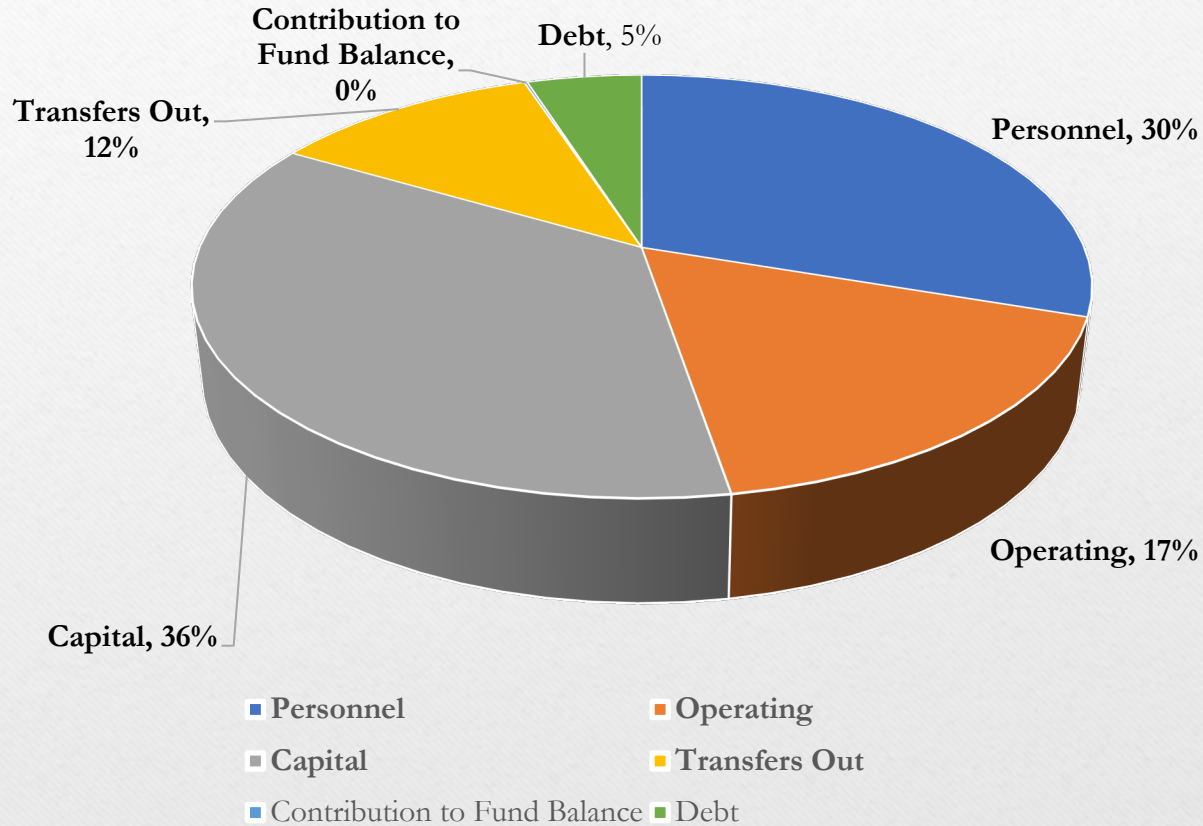
## Consolidated FY 2027 Recommended Budget

	General Fund	ARPA Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	TIF II Fund	Fire Impact Fund	Debt Service Fund	Capital Projects Fund	Total
<b>Revenues</b>										
Revenues	\$ 28,012,516	\$ 20,000	\$ 5,214,000	\$ 1,395,000	\$ 880,000	\$ 120,000	\$ 105,000	\$ 1,650,303	\$ 19,125,790	\$ 56,522,609
Transfers In	66,250	-	-	-	-	-	-	2,021,014	6,393,397	8,480,661
Release of Committed Fund Balance-										
Vehicles and Equipment	365,352	-	-	-	-	-	-	-	-	365,352
Release of Committed Fund Balance-										
Redevelopment	375,000	-	-	-	-	-	-	-	-	375,000
Release of Committed Fund Balance-										
Capital Projects	-	694,220	1,511,447	473,091	439,639	2,900,000	-	-	-	6,018,397
Release of Fund Balance	167,940	54,256	1,184,150	88,780	8,846	258,175	-	-	-	1,762,147
<b>Total Revenues</b>	<u>28,987,058</u>	<u>768,476</u>	<u>7,909,597</u>	<u>1,956,871</u>	<u>1,328,485</u>	<u>3,278,175</u>	<u>105,000</u>	<u>3,671,317</u>	<u>25,519,187</u>	<u>73,524,166</u>
<b>Expenditures</b>										
Salaries	12,926,992	53,040	2,321,270	466,161	25,318	-	-	-	-	15,792,781
Benefits	5,164,822	21,216	955,502	233,045	9,491	-	-	-	-	6,384,076
Operating	9,662,652	-	1,953,112	246,974	756,843	-	-	-	-	12,619,580
Capital	365,352	-	198,745	42,000	30,945	378,175	-	-	25,519,187	26,534,403
Debt	-	-	-	-	-	-	-	3,617,954	-	3,617,954
Transfers Out	867,240	694,220	2,480,968	968,691	505,889	2,900,000	63,654	-	-	8,480,661
Contribution to Fund Balance	-	-	-	-	-	-	41,346	53,363	-	94,709
<b>Total Expenditures</b>	<u>28,987,058</u>	<u>768,476</u>	<u>7,909,597</u>	<u>1,956,871</u>	<u>1,328,485</u>	<u>3,278,175</u>	<u>105,000</u>	<u>3,671,317</u>	<u>25,519,187</u>	<u>73,524,166</u>
Net (Deficit) Surplus	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>

# FY 27 Projected Revenue Sources

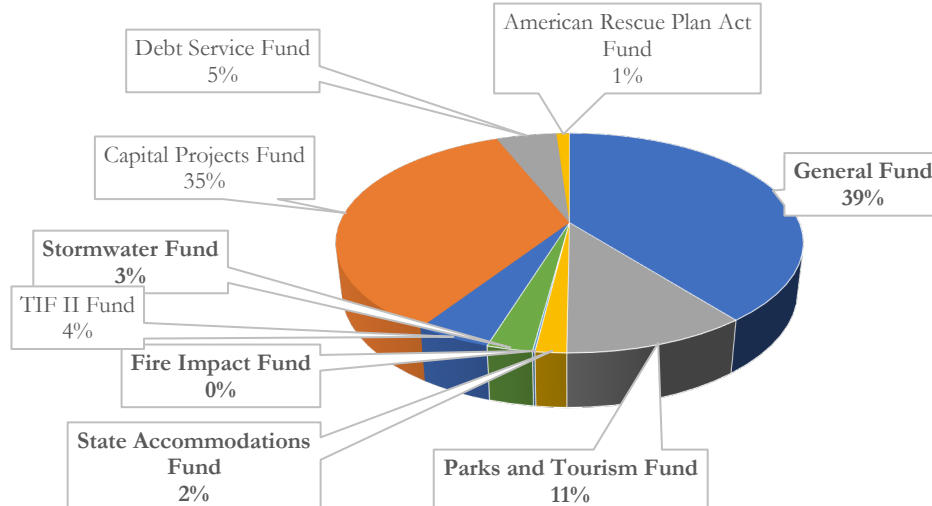


# FY 27 Projected Expenses



## Consolidated Revenue Budget Summary

	FY 2025 Actual	FY 2026	FY 2026	FY 2027	Change from	% Change
		Original Budget	Revised Budget	Recommended Budget	Prior Year Original Budget	
General Fund	\$ 27,472,570	\$ 28,775,971	\$ 30,275,971	\$ 28,987,058	\$ 211,087	0.7%
Parks and Tourism Fund	5,719,730	8,933,821	8,933,821	7,909,597	(1,024,224)	-11.5%
State Accommodations Fund	1,020,433	1,539,669	1,639,669	1,328,485	(211,184)	-12.9%
Fire Impact Fund	299,242	205,000	205,000	105,000	(100,000)	-48.8%
Stormwater Fund	1,395,716	1,801,407	1,903,199	1,956,871	155,464	8.2%
TIF II Fund	171,067	1,840,000	1,995,361	3,278,175	1,438,175	72.1%
Capital Projects Fund	7,838,319	28,449,471	28,865,471	25,519,187	(2,930,284)	-10.2%
Debt Service Fund	-	-	-	3,671,317	3,671,317	100.0%
American Rescue Plan Act Fund	2,696,473	1,586,698	1,597,059	768,476	(818,222)	-51.2%
	<u>\$ 46,613,550</u>	<u>\$ 73,132,037</u>	<u>\$ 75,415,551</u>	<u>\$ 73,524,166</u>	<u>\$ 392,129</u>	<u>0.5%</u>



## FY 2027 Consolidated Revenue Budget Highlights

- The recommended millage rate remains flat at 73.9 mils for General Fund property taxes.
- A new \$32 annual tag fee for vehicles residing within City limits will generate an estimated \$322,560 in revenues to offset the City's cost on right-of-way maintenance and street sweeping on State owned roads within City limits.
- A new annual short term rental fee of \$1,000 will generate an estimated \$242,000 in revenue.

# Consolidated Expenditure Budget Summary

	<u>FY 2025 Actual</u>	<u>FY 2026 Original Budget</u>	<u>FY 2026 Revised Budget</u>	<u>FY 2027 Recommended Budget</u>	<u>\$ Change from Prior Year Original Budget</u>	<u>% Change</u>
<b>General Fund</b>						
Salaries	\$ 10,508,108	\$ 11,232,170	\$ 11,799,136	\$ 12,926,992	\$ 1,694,822	15.09%
Benefits	4,232,926	4,659,415	4,830,918	5,164,822	505,407	10.85%
Operations	8,006,609	8,859,976	8,885,895	9,662,652	802,676	9.06%
Capital	368,636	1,593,162	1,899,854	365,352	(1,227,810)	-77.07%
Debt	1,990,148	2,056,248	2,056,248	-	(2,056,248)	-100.00%
Transfers out	-	375,000	375,000	867,240	492,240	100.00%
<b>Total General Fund</b>	<b>\$ 25,106,428</b>	<b>\$ 28,775,971</b>	<b>\$ 29,847,051</b>	<b>\$ 28,987,057</b>	<b>\$ 211,086</b>	<b>0.71%</b>
<b>Parks and Tourism Fund</b>						
Salaries	\$ 1,746,163	\$ 2,082,992	\$ 2,172,280	\$ 2,321,270	\$ 238,279	11.44%
Benefits	694,559	887,880	912,596	955,502	67,622	7.62%
Operations	1,702,615	2,086,968	2,132,490	1,953,112	(133,856)	-6.41%
Capital	224,634	345,300	368,068	198,745	(146,556)	-42.44%
Debt	969,601	969,496	969,496	-	(969,496)	-100.00%
Transfers out	3,439,758	2,561,185	2,561,185	2,480,968	(80,217)	-3.13%
<b>Total Parks and Tourism Fund</b>	<b>\$ 8,777,330</b>	<b>\$ 8,933,821</b>	<b>\$ 9,116,115</b>	<b>\$ 7,909,597</b>	<b>\$ (1,024,225)</b>	<b>-11.24%</b>
<b>Stormwater Fund</b>						
Salaries	\$ 384,248	\$ 466,621	\$ 492,603	\$ 466,161	\$ (459)	-0.10%
Benefits	160,421	200,336	207,146	233,045	32,709	16.33%
Operations	189,003	217,490	217,490	246,974	29,484	13.56%
Capital	-	-	-	42,000	42,000	100.00%
Debt	515,755	518,900	518,900	-	(518,900)	-100.00%
Transfers out	728,271	398,061	467,061	968,691	570,630	143.35%
<b>Total Stormwater Fund</b>	<b>\$ 1,977,697</b>	<b>\$ 1,801,407</b>	<b>\$ 1,903,199</b>	<b>\$ 1,956,871</b>	<b>\$ 155,464</b>	<b>8.17%</b>

## Consolidated Expenditure Budget Summary (Cont'd)

	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	\$ Change from Prior Year Original Budget	% Change
	FY 2025 Actual				
<b>State Accommodations Fund</b>					
Salaries	\$ 16,728	\$ 18,366	\$ 18,366	\$ 6,952	37.85%
Benefits	6,752	7,363	7,363	2,128	28.90%
Operations	713,722	1,044,150	1,044,150	(287,307)	-27.52%
Capital	-	31,567	31,567.26	(623)	100.00%
Transfers out	92,515	438,223	538,223	67,666	15.44%
Total State Accommodations Fund	\$ 829,717	\$ 1,539,669	\$ 1,639,669	\$ (211,184)	-12.88%
<b>Fire Impact Fund</b>					
Debt	\$ 63,654	\$ -	\$ -	-	0.00%
Transfers out	-	-	-	63,654	100.00%
Contribution to Fund Balance	-	205,000	205,000	(163,654)	-79.83%
Total Fire Impact Fund	\$ 63,654	\$ 205,000	\$ 205,000	\$ (100,000)	-48.78%
<b>TIF II Fund</b>					
Operations	\$ 20,000	\$ -	\$ -	\$ -	0.00%
Capital	26,814	740,000	795,361	(361,825)	-48.90%
Transfers out	-	1,100,000	1,200,000	1,800,000	163.64%
Total TIF II Fund	\$ 46,814	\$ 1,840,000	\$ 1,995,361	\$ 1,438,175	78.16%
<b>ARPA Fund</b>					
Salaries	\$ 67,500	\$ 94,500	\$ 97,972	\$ (41,460)	-43.87%
Benefits	27,974	39,371	40,281	(18,156)	-46.11%
Operations	193,473	100,000	100,000	(100,000)	-100.00%
Capital	462,929	-	5,978	-	0.00%
Transfers out	1,749,285	1,352,827	1,352,827	(658,607)	-48.68%
Total ARPA Fund	\$ 2,501,162	\$ 1,586,698	\$ 1,597,059	\$ (818,223)	-51.23%
<b>Debt Service Fund</b>					
Debt	\$ -	\$ -	\$ -	\$ 3,617,954	100.00%
Contribution to Fund Balance	-	-	-	53,363	100.00%
Total Debt Service Fund	\$ -	\$ -	\$ -	\$ 3,671,317	100.00%
<b>Capital Projects Fund</b>					
Capital	\$ 7,341,782	\$ 28,449,471	\$ 28,865,471	\$ (2,930,284)	-10.30%
Total Capital Projects Fund	\$ 7,341,782	\$ 28,449,471	\$ 28,865,471	\$ (2,930,284)	-10.30%
Total All Funds	\$ 46,644,583	\$ 73,132,038	\$ 75,168,925	\$ 392,127	0.54%

## **FY 2027 Consolidated Expenditure Budget Highlights**

### **Salaries and Benefits**

- There are 3 new positions (3 Patrolman III in Police Department) included in the FY 2027 Recommended Budget.
- The budget includes a 2% COLA increase and merit increase up to 2.0% based on annual performance evaluation.
- Increase of 3% in Health insurance premiums absorbed by the City.
- Includes employee retention programs.
- Overall increase in salaries & benefits of \$1,598,197 or 7.7%.

### **Operations**

- Overall operations is \$12,619,580 across the funds of the City
  - General Fund increased 8.9%; Parks & Tourism decreased 7.1%; State Accommodations Tax decreased 27.5%.
  - More detail of these changes are explained in the Fund section.

### **Capital**

- The Capital replacement program is funded with resources partially coming from Committed Fund Balances held in reserve for General Fund purchases.

### **Debt**

- Includes debt payments required for FY 2027 on general obligation bonds, revenue bonds, and capital leases in newly established debt service fund. The new fire truck capital lease debt payment starts in FY27.

# General Fund

The General Fund is the main operating fund of the City. The primary sources of revenue are property taxes, licenses & permit revenues, franchise fees, intergovernmental revenues and general charges for services.

The General Fund accounts for the activity of the City Council, City Manager, Finance & Information Technology, Human Resources, Municipal Court, Community & Economic Development & Building Inspections, Police, Fire, and Public Works.

## BUDGET SUMMARY - REVENUES

	FY 2025	FY 2026 Original	FY 2026 Revised	FY 2027	Increase (Decrease) from
	Actual	Budget	Budget	Recommended	Prior Year
				Budget	Original Budget
Property Taxes	\$10,309,148	\$ 9,969,172	\$ 9,969,172	\$ 9,897,161	\$ (72,011)
Licenses	6,621,489	7,000,000	7,000,000	6,842,000	(158,000)
Permits	1,156,268	817,000	817,000	618,000	(199,000)
Charges for Services	1,584,867	1,720,245	1,720,245	2,600,635	880,390
Franchise Fees	2,407,025	2,384,440	2,384,440	2,596,160	211,720
Intergovernmental	4,298,536	4,230,180	5,730,180	4,627,560	397,380
Fines & Forfeitures	80,238	67,000	67,000	70,000	3,000
Interest	821,472	600,000	600,000	700,000	100,000
Miscellaneous	120,887	60,000	60,000	61,000	1,000
Transfers In	72,640	69,584	69,584	66,250	(3,334)
Issuance of Capital Lease	-	833,472	833,472	-	(833,472)
Release of Committed Fund Balance- Vehicles and Equipment	-	544,327	544,327	365,352	(178,975)
Release of Committed Fund Balance- Redevelopment	-	375,000	375,000	375,000	-
Release of Fund Balance	-	105,551	105,551	167,940	62,389
Total Revenues	<u>\$27,472,570</u>	<u>\$ 28,775,971</u>	<u>\$ 30,275,971</u>	<u>\$ 28,987,058</u>	<u>\$ 211,087</u>

## Property Taxes

	<b>FY 2025 Actual</b>	<b>FY 2026 Original Budget</b>	<b>FY 2026 Revised Budget</b>	<b>FY 2027 Recommended Budget</b>
Current Property Taxes	\$ 7,376,317	\$ 7,450,043	\$ 7,450,043	\$ 8,846,622
Property Taxes - Debt Mil	1,774,965	1,611,897	1,611,897	-
Delinquent Property Tax	335,379	232,147	232,147	257,955
Penalties & Interest	60,320	36,203	36,203	41,027
Vehicle Property Taxes	493,566	383,882	383,882	490,231
Homestead Exemption	211,326	202,000	202,000	211,326
Motor Carrier	17,629	14,000	14,000	17,000
Payment in Lieu	39,646	39,000	39,000	33,000
<b>Total Property Taxes</b>	<b>\$ 10,309,148</b>	<b>\$ 9,969,172</b>	<b>\$ 9,969,172</b>	<b>\$ 9,897,161</b>
Taxable Assessed Value <sup>1</sup>	\$ 126,453,357	\$ 131,884,905	\$ 131,884,905	\$ 153,274,251
Value of Mil	\$ 126,453	\$ 131,885	\$ 131,885	\$ 153,274

<sup>1</sup> TY 2026 estimated taxable assessed value presented in FY 2027 Recommended budget is estimated based on historical and known growth.

## Property Taxes

- Represents the largest revenue source of the City, or approximately 34.2% of the total revenues.
- Taxable assessed value of real property for tax year 2026 is estimated to be \$131,754,359, a 16.6% growth over the actual ending values for tax year 2025.
- Taxable assessed value of personal property is estimated for tax year 2026 to be \$13,207,502, a 8.8% growth over the actual ending values for tax year 2025.
- Vehicle taxable assessed value is estimated for tax year 2026 of \$8,312,390, a 21.9% increase over tax year 2025.
- Total Taxable Assessed Value is estimated at \$153,274,251, an overall increased of \$21,389,346 from FY 2026.
- The millage cap is 2.63% based on CPI. The recommended budget includes the operating and debt millage as follows for:
  - The operating mil was 59.3 in FY26. The City's millage cap (2.5%) is applied to for FY 2027 Operating Mil is 60.8. An increase in property tax operating millage of 1.5 mils.
  - Debt mil is decreased from 12.6 mils in FY 2026 to 11.1 mils, for a total of 1.5 mil and sufficient to cover the debt service payments.
  - Recommend maintaining the 2 reserve mil and include in operating mil to continue to fund for aging infrastructure.
  - Total recommended millage rate of 73.9 mils remains the same to the overall millage.

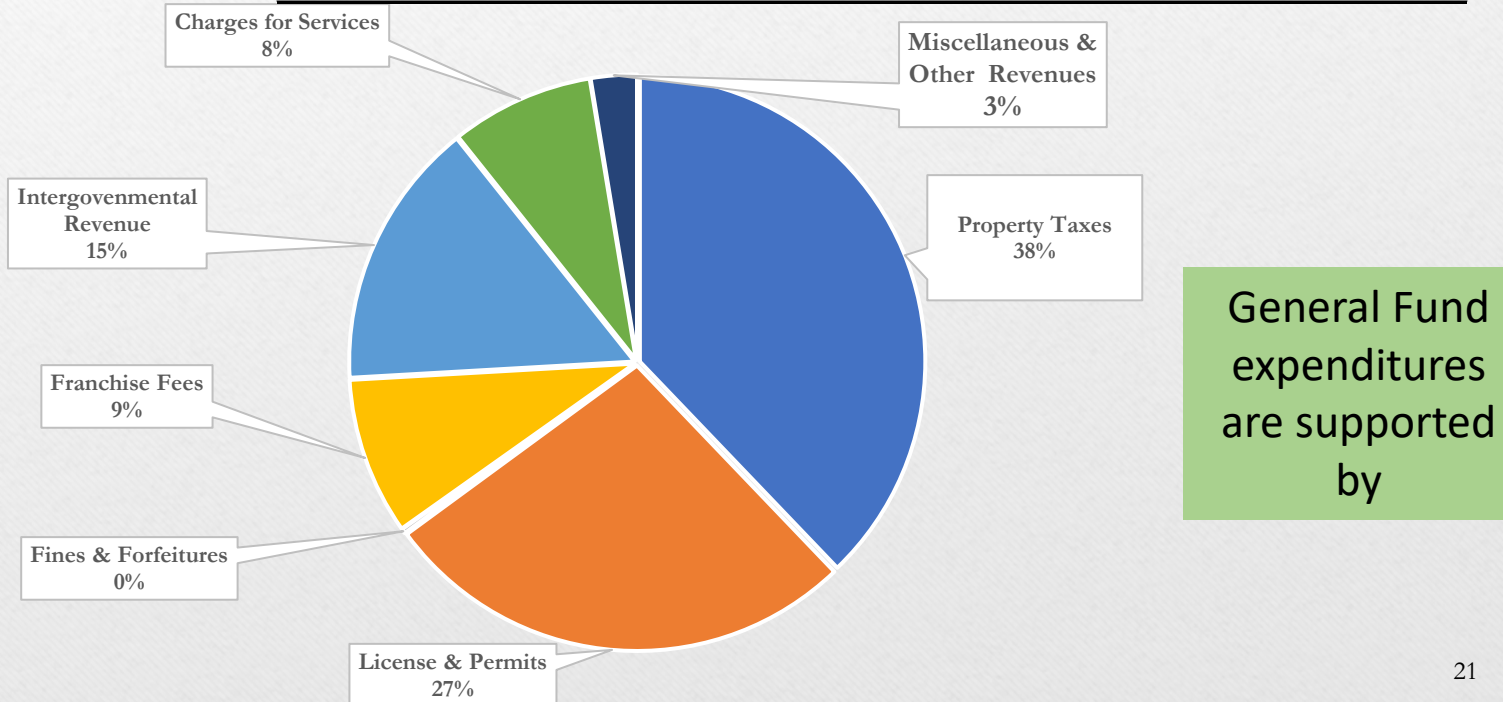
## Other Significant Revenues

- Business Licenses anticipated to decrease by \$400,000 due to gross revenue on large developments were recognized in previous years and brokers tax, insurance tax, and telecommunications tax collections administered through MASC were lower than expected. The license line item also includes a \$1,000 annual short-term rental license fee for anticipated revenues of \$242,000.
- Building Permits project \$199,000 decrease in one-time building permits as large developments were recognized in previous years.
- Charges for services include \$32.00/year vehicle tag fee that will generate an estimated amount of \$322,560 for City to offset costs for right of way maintenance and street sweeping on SCDOT roads within City limits.

# BUDGET SUMMARY - EXPENDITURES

## General Fund

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended	Change from Prior Year Revised Budget
Salaries	\$ 10,508,108	\$ 11,232,170	\$ 11,799,136	\$ 12,926,992	\$ 1,127,856
Benefits	4,232,926	4,659,415	4,830,918	5,164,822	333,904
Operations	8,006,609	8,859,976	8,885,895	9,662,652	776,757
Capital	368,636	1,593,162	1,899,854	365,352	(1,534,502)
Debt	1,990,148	2,056,248	2,056,248	-	(2,056,248)
Transfers Out	-	375,000	375,000	867,240	492,240
<b>Total Expenditures</b>	<b>\$ 25,106,428</b>	<b>\$ 28,775,971</b>	<b>\$ 29,847,051</b>	<b>\$ 28,987,057</b>	<b>\$ (859,994)</b>



## General Fund Budget By Department

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	\$ Change from Prior Year Revised Budget	% Change
<b><u>Non Departmental</u></b>						
Operations	\$ 779,567	\$ 815,171	\$ 815,171	\$ 1,030,977	\$ 215,806	26.47%
Transfers Out	-	375,000	375,000	867,240	492,240	131.26%
<b>Total NonDepartmental</b>	<b>\$ 779,567</b>	<b>\$ 1,190,171</b>	<b>\$ 1,190,171</b>	<b>\$ 1,898,216</b>	<b>\$ 708,045</b>	<b>59.49%</b>
<b><u>City Council</u></b>						
Salaries	\$ 67,340	\$ 67,550	\$ 67,550	\$ 67,550	\$ (0)	0.00%
Benefits	24,052	24,699	24,699	25,089	390	1.58%
Operations	306,215	226,000	226,000	424,500	198,500	87.83%
<b>Total City Council</b>	<b>\$ 397,608</b>	<b>\$ 318,249</b>	<b>\$ 318,249</b>	<b>\$ 517,139</b>	<b>\$ 198,890</b>	<b>62.49%</b>
<b><u>City Manager</u></b>						
Salaries	\$ 560,656	\$ 621,586	\$ 625,058	\$ 738,387	\$ 113,329	18.23%
Benefits	178,694	201,548	202,458	242,746	40,288	19.99%
Operations	137,579	183,711	183,711	217,134	33,424	18.19%
<b>Total City Manager</b>	<b>\$ 876,929</b>	<b>\$ 1,006,844</b>	<b>\$ 1,011,226</b>	<b>\$ 1,198,267</b>	<b>\$ 187,041</b>	<b>18.50%</b>
<b><u>Finance</u></b>						
Salaries	\$ 565,673	\$ 628,631	\$ 634,766	\$ 653,456	\$ 18,690	2.97%
Benefits	206,188	235,761	237,368	242,330	4,961	2.10%
Operations	218,588	239,162	241,525	245,974	4,449	1.86%
<b>Total Finance</b>	<b>\$ 990,449</b>	<b>\$ 1,103,554</b>	<b>\$ 1,113,660</b>	<b>\$ 1,141,761</b>	<b>\$ 28,101</b>	<b>2.52%</b>
<b><u>Information Technology</u></b>						
Operations	\$ 862,730	\$ 929,137	\$ 935,837	\$ 955,593	\$ 19,756	2.13%
Capital Outlay	117,526	10,000	12,510	47,700	35,190	351.90%
<b>Total Information Technology</b>	<b>\$ 980,256</b>	<b>\$ 939,137</b>	<b>\$ 948,348</b>	<b>\$ 1,003,293</b>	<b>\$ 54,946</b>	<b>5.79%</b>

## General Fund Budget By Department (cont'd)

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	\$ Change from Prior Year Revised Budget	% Change
<b><u>Human Resources</u></b>						
Salaries	\$ 239,630	\$ 255,804	\$ 260,074	\$ 250,367	\$ (9,706)	-3.79%
Benefits	88,450	101,802	102,921	100,499	(2,422)	-2.38%
Operations	207,200	156,999	156,999	149,159	(7,840)	-4.99%
<b>Total Human Resources</b>	<b>\$ 535,280</b>	<b>\$ 514,604</b>	<b>\$ 519,993</b>	<b>\$ 500,025</b>	<b>\$ (19,969)</b>	<b>-3.84%</b>
<b><u>Municipal Court</u></b>						
Salaries	\$ 256,392	\$ 302,855	\$ 315,048	\$ 310,138	\$ (4,909)	-1.62%
Benefits	98,854	138,143	141,339	108,297	(33,041)	-23.92%
Operations	199,830	249,914	264,724	225,841	(38,883)	-15.56%
<b>Total Municipal Court</b>	<b>\$ 555,076</b>	<b>\$ 690,911</b>	<b>\$ 721,110</b>	<b>\$ 644,276</b>	<b>\$ (76,834)</b>	<b>-10.65%</b>
<b><u>Community Development</u></b>						
Salaries	\$ 685,122	\$ 732,239	\$ 737,856	\$ 761,613	\$ 23,757	3.24%
Benefits	250,797	284,706	286,177	298,316	12,139	4.26%
Operations	369,369	339,225	360,039	354,379	(5,659)	-1.67%
<b>Total Community Development</b>	<b>\$ 1,305,289</b>	<b>\$ 1,356,171</b>	<b>\$ 1,384,072</b>	<b>\$ 1,414,308</b>	<b>\$ 30,236</b>	<b>2.18%</b>
<b><u>Police</u></b>						
Salaries	\$ 3,377,566	\$ 3,701,614	\$ 3,848,704	\$ 4,675,492	\$ 826,788	22.34%
Benefits	1,444,585	1,590,881	1,633,375	1,892,265	258,890	16.27%
Operations	1,431,144	1,724,167	1,724,167	1,997,673	273,506	15.86%
Capital Outlay	174,290	139,100	175,440	160,652	(14,787)	-10.63%
<b>Total Police</b>	<b>\$ 6,427,585</b>	<b>\$ 7,155,762</b>	<b>\$ 7,381,685</b>	<b>\$ 8,726,083</b>	<b>\$ 1,344,397</b>	<b>18.21%</b>

## General Fund Budget By Department (cont'd)

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised	FY 2027 Recommended Budget	\$ Change from Prior Year Revised Budget	% Change
<b><u>Fire</u></b>						
Salaries	\$ 4,382,980	\$ 4,515,014	\$ 4,855,202	\$ 5,041,914	\$ 186,712	4.14%
Benefits	1,773,594	1,892,848	1,991,128	2,063,946	72,818	3.85%
Operations	760,722	861,253	861,253	916,023	54,769	6.36%
Capital Outlay	-	1,219,062	1,219,062	48,000	(1,171,062)	100.00%
Debt	144,796	208,450	208,450	-	(208,450)	-100.00%
<b>Total Fire</b>	<b>\$ 7,062,092</b>	<b>\$ 8,696,627</b>	<b>\$ 9,135,095</b>	<b>\$ 8,069,882</b>	<b>\$ (1,065,212)</b>	<b>-11.66%</b>
<b><u>Public Works</u></b>						
Salaries	\$ 372,748	\$ 406,877	\$ 454,878	\$ 428,074	\$ (26,804)	-6.59%
Benefits	167,711	189,028	211,454	191,335	(20,119)	-10.64%
Operations	2,733,665	3,135,237	3,116,470	3,145,399	28,929	0.92%
Capital Outlay	76,819	225,000	492,842	109,000	(383,842)	-170.60%
<b>Total Public Works</b>	<b>\$ 3,350,944</b>	<b>\$ 3,956,142</b>	<b>\$ 4,275,642</b>	<b>\$ 3,873,807</b>	<b>\$ (401,836)</b>	<b>-9.40%</b>
<b><u>General Obligation Debt</u></b>						
Principal	\$ 1,541,915	\$ 1,604,230	\$ 1,604,230	\$ -	\$ (1,604,230)	-100.00%
Interest	303,438	243,568	243,568	-	(243,568)	0.00%
<b>Total General Obligation Debt</b>	<b>\$ 1,845,353</b>	<b>\$ 1,847,799</b>	<b>\$ 1,847,799</b>	<b>\$ -</b>	<b>\$ (1,847,799)</b>	<b>-100.00%</b>
<b>Total General Fund Expenditures</b>	<b>\$25,106,428</b>	<b>\$ 28,775,971</b>	<b>\$ 29,847,051</b>	<b>\$ 28,987,057</b>	<b>\$ (859,994)</b>	<b>-2.99%</b>

## GENERAL FUND EXPENDITURE SUMMARY

- Salaries in the general fund increased \$1,127,856 which is primarily a 2% COLA increase, inclusion of up to a 2% merit increase for each department to support performance evaluations of personnel, three new full-time positions for patrolman III positions partially funded by COPS Hiring Grant.
- Benefits in the general fund increased \$333,904 which is primarily a result of a 3% increase in health insurance and changes to benefit selections of personnel.
- Operations increased by \$776,757 or 8.7% and are highlighted as follows:
  - Police Department increased \$165,000 for 7 replacement police vehicles and 3 new police vehicles through City's lease program.
- Capital equipment totaling \$365,352 includes the following:
  - Police Department Weapons- \$113,670
  - Police Department Drug Spectrometer- \$36,982
  - Fire Department Self Contained Breathing Apparatus (SCBA)- \$48,000
  - Public Works Street Light Upgrades- \$75,000

# Parks & Tourism Fund

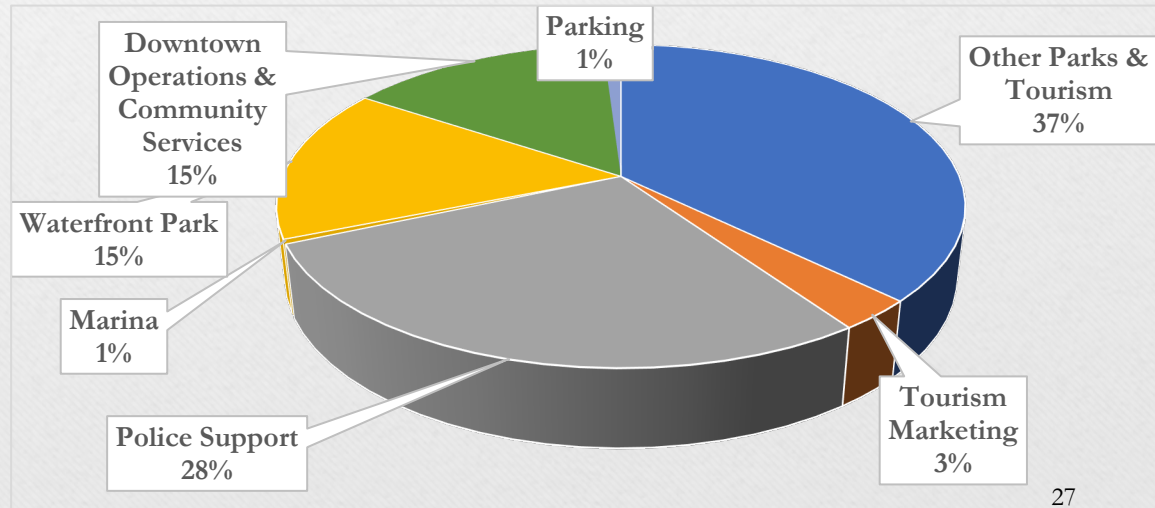
Established to account for the revenues and expenditure activities of the City that are dedicated toward support of tourism related activities, tourism development and the facilities that support those activities.

The Parks & Tourism Fund accounts for the activity of the Parks Department, Police activity in support of Parks and Tourism, Marina operations, Waterfront Park operations, Parking operations, and Downtown operations.

## BUDGET SUMMARY – REVENUES- PARKS AND TOURISM FUND

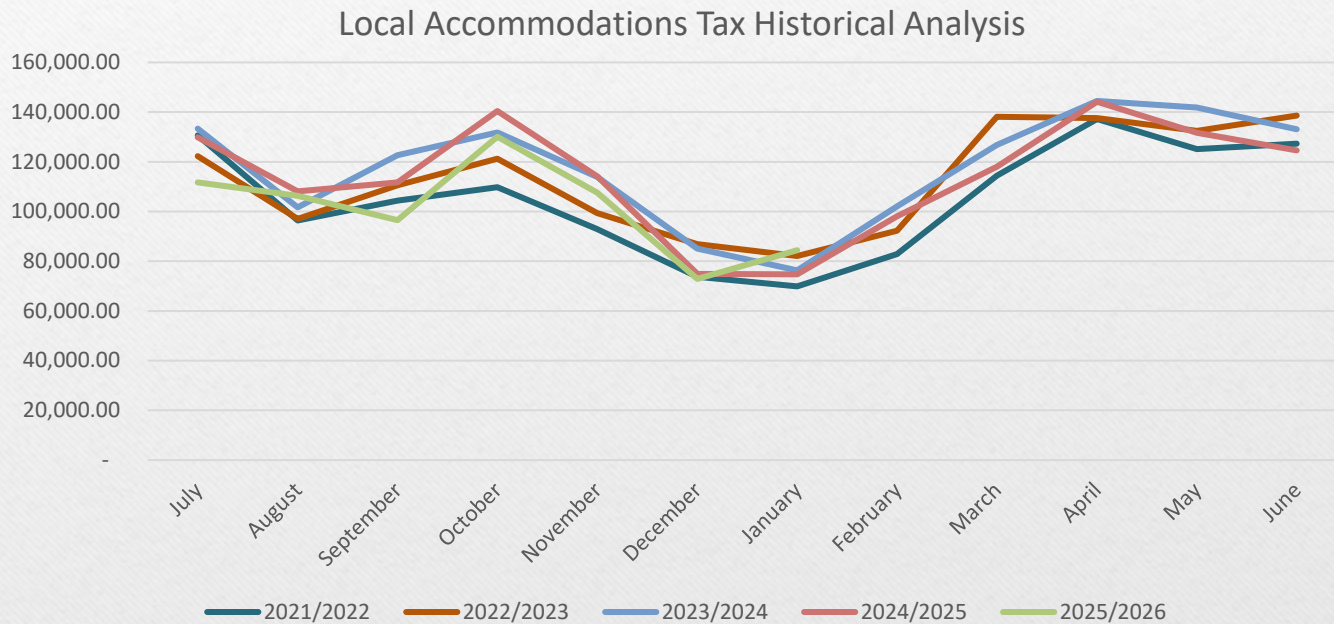
	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
Hospitality Tax	\$ 3,021,247	\$ 3,000,000	\$ 3,000,000	\$ 3,100,000	\$ 100,000
Accommodations Tax	1,383,893	1,375,000	1,375,000	1,275,000	(100,000)
Other Fees	80,550	70,000	70,000	70,000	-
Charges for Services	660,693	717,500	717,500	569,000	(148,500)
Interest	376,008	350,000	350,000	200,000	(150,000)
Release of Committed Fund Balance- Capital Projects	-	2,561,185	2,561,185	1,511,447	(1,049,738)
Release of Fund Balance	-	860,136	860,136	1,184,150	324,014
<b>Total Revenues</b>	<b>\$ 5,522,391</b>	<b>\$ 8,933,821</b>	<b>\$ 8,933,821</b>	<b>\$ 7,909,597</b>	<b>\$ (1,024,224)</b>

**Expenditures supported by Local Hospitality and Local Accommodations**



## Local Hospitality and Local Accommodations

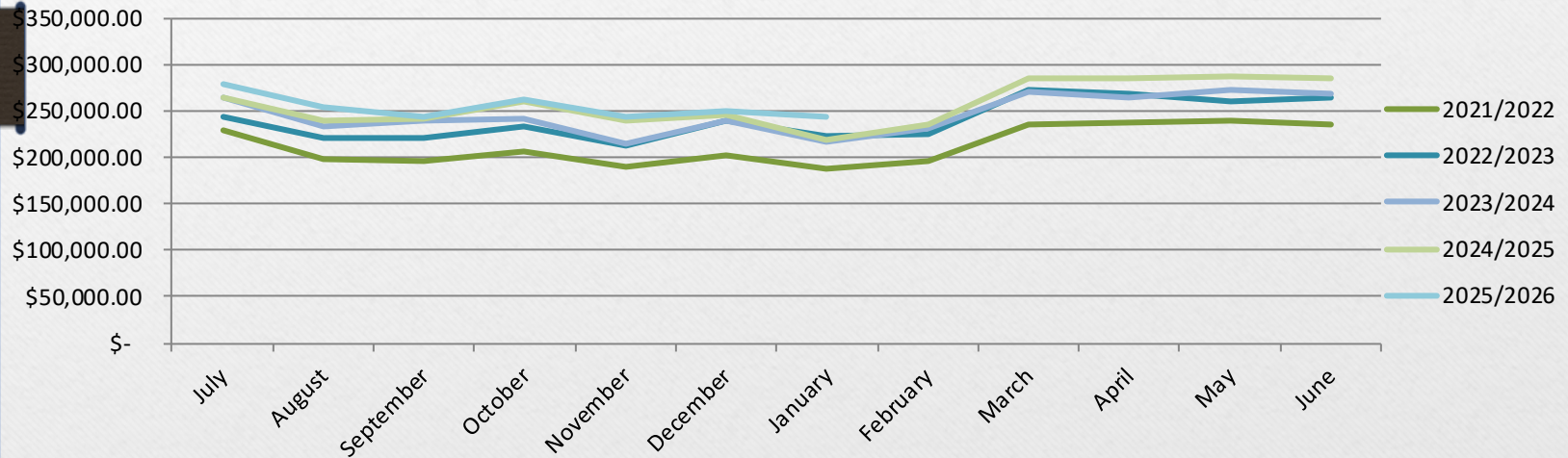
- The two largest revenue contributors to the Parks & Tourism Fund are the Local Hospitality and Local Accommodations taxes.



## Local Hospitality and Local Accommodations (Cont'd)

- The City anticipates 3% growth in hospitality and 7% decrease in accommodations revenues in FY27.

Local Hospitality Tax Historical Analysis



## BUDGET SUMMARY – EXPENDITURES- PARKS AND TOURISM FUND

		FY 2026 Original	FY 2026 Revised	FY 2027 Recommended	Increase (Decrease) from Prior Year Original
<b><u>Public Works Parks Department</u></b>	<b><u>FY 2025 Actual</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>
Salaries	\$ 546,959	\$ 698,612	\$ 724,594	\$ 762,950	\$ 64,338
Benefits	213,318	316,136	322,946	335,388	19,253
Operations	408,848	663,827	670,545	561,534	(102,293)
Debt	660,503	660,399	660,399	-	(660,399)
Capital	151,951	125,000	141,790	59,000	(66,000)
Total Public Works Parks Department	<u>\$ 1,981,579</u>	<u>\$ 2,463,974</u>	<u>\$ 2,520,272</u>	<u>\$ 1,718,873</u>	<u>\$ (745,101)</u>
<b><u>Police Support</u></b>					
Salaries	\$ 943,973	\$ 1,109,428	\$ 1,158,458	\$ 1,253,935	\$ 144,507
Benefits	398,114	472,045	486,210	526,350	54,304
Operations	31,761	34,937	34,937	41,807	6,870
Capital	37,355	115,500	121,478	10,945	(104,556)
Total Police Support	<u>\$ 1,411,202</u>	<u>\$ 1,731,909</u>	<u>\$ 1,801,083</u>	<u>\$ 1,833,036</u>	<u>\$ 101,127</u>
<b><u>Tourism Marketing</u></b>					
Operations	\$ 180,961	\$ 183,000	\$ 183,000	\$ 189,100	\$ 6,100
Total Tourism Marketing	<u>\$ 180,961</u>	<u>\$ 183,000</u>	<u>\$ 183,000</u>	<u>\$ 189,100</u>	<u>\$ 6,100</u>
<b><u>Marina</u></b>					
Operations	\$ 118,658	\$ 79,432	\$ 118,237	\$ 35,150	\$ (44,282)
Total Marina	<u>\$ 118,658</u>	<u>\$ 79,432</u>	<u>\$ 118,237</u>	<u>\$ 35,150</u>	<u>\$ (44,282)</u>
<b><u>Waterfront Park</u></b>					
Operations	\$ 499,314	\$ 546,207	\$ 546,207	\$ 531,841	\$ (14,367)
Capital	19,079	24,800	24,800	48,000	23,200
Debt	309,098	309,098	309,098	-	(309,098)
Total Waterfront Park	<u>\$ 827,491</u>	<u>\$ 880,105</u>	<u>\$ 880,105</u>	<u>\$ 579,841</u>	<u>\$ (300,265)</u>

Tourism Marketing includes allocations of Local Hospitality Fees of \$155,000 (5%) for the CVB and \$34,100 (1.1%) for designated hospitality association(s)

## BUDGET SUMMARY – EXPENDITURES- PARKS AND TOURISM FUND (CONT'D)

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
<b><u>Other Downtown Operations</u></b>					
Salaries	\$ 255,232	\$ 274,952	\$ 289,228	\$ 304,385	\$ 29,434
Benefits	83,127	99,700	103,441	93,764	(5,935)
Operations	458,490	541,264	541,264	554,980	13,716
Capital	-	55,000	55,000	-	(55,000)
Total Other Downtown Operations	\$ 796,848	\$ 970,915	\$ 988,932	\$ 953,129	\$ (17,786)
<b><u>Parking</u></b>					
Operations	\$ 4,583	\$ 38,300	\$ 38,300	\$ 38,700	\$ 400
Capital	16,250	25,000	25,000	80,800	55,800
Total Parking	\$ 20,833	\$ 63,300	\$ 63,300	\$ 119,500	\$ 56,200
Total Expenditures	5,337,572	6,372,636	6,554,930	5,428,629	(944,007)
Transfers Out	3,439,758	2,561,185	2,561,185	2,480,968	\$ (80,217)
	3,439,758	2,561,185	2,561,185	2,480,968	(80,217)
Total Expenditures and other financing uses	\$ 8,777,330	\$ 8,933,821	\$ 9,116,115	\$ 7,909,597	\$ (1,024,225)

## STORMWATER FUND



- Stormwater division of Public Works focuses on the stormwater issues facing our City.
- This fund accounts for the collections of Stormwater Utility fees and the associated costs of maintaining the City's Stormwater Management activities.
- Much of the long-term stormwater projects are reported in the Capital Projects Fund. Day to day operations and short-term projects, expected to be completed within the fiscal year, are reported in the Stormwater fund.

## BUDGET SUMMARY- STORMWATER FUND

		FY 2026 Original	FY 2026 Revised	FY 2027	Increase
	FY 2025 Actual	Budget	Budget	Recommended	(Decrease) from
Revenues				Budget	Prior Year
					Original Budget
Stormwater Utility Fees	\$ 1,360,751	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ -
Interest	34,964	28,346	28,346	20,000	(8,346)
Release of Fund Balance	-	-	32,792	88,780	88,780
Release of Committed Fund Balance- Capital Projects	728,271	398,061	467,061	473,091	75,030
<b>Total Revenues</b>	<b>2,123,987</b>	<b>1,801,407</b>	<b>1,903,199</b>	<b>1,956,871</b>	<b>155,464</b>
<b>Expenditures</b>					
Salaries	384,248	466,621	492,603	466,161	(459)
Benefits	160,421	200,336	207,146	233,045	32,709
Operations	189,003	217,490	217,490	246,974	29,484
Debt	515,755	518,900	518,900	-	(518,900)
Capital	-	-	-	42,000	42,000
Transfers out	728,271	398,061	467,061	968,691	570,630
<b>Total Expenditures</b>	<b>1,977,697</b>	<b>1,801,407</b>	<b>1,903,199</b>	<b>1,956,871</b>	<b>155,464</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 146,290</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>

### Budget Highlights:

- The rate for Stormwater utility fees remain the same.
- Transfers out of Stormwater to Debt Service for \$495,600 for Stormwater Bond payment
- Transfers out of Stormwater Bond monies to Capital Projects Fund for the following projects:
  - Bayard Street Drainage- \$419,091
  - Pigeon Point Drainage Study- \$54,000



## FIRE IMPACT FUND

This fund accounts for the fire impact fees collected on new development beginning January 1, 2021. Use of these funds is restricted by City Ordinance for Capital Improvements related Fire services.

## BUDGET SUMMARY- FIRE IMPACT FUND

	FY 2025	FY 2026 Original	FY 2026 Revised	FY 2027	Increase (Decrease) from
	Actual	Budget	Budget	Recommended	Prior Year
Revenues				Budget	Original Budget
Fire Impact Fees	\$ 299,242	\$ 200,000	\$ 200,000	\$ 100,000	\$ (100,000)
Interest	-	5,000	5,000	5,000	-
Total Revenues	299,242	205,000	205,000	105,000	(100,000)
<b>Expenditures</b>					
Debt	63,654	-	-	-	-
Transfers out	-	-	-	63,654	63,654
Contribution to Fund Balance	-	205,000	205,000	41,346	(163,654)
Total Expenditures	63,654	205,000	205,000	105,000	(100,000)
Net (Deficit) Surplus	\$ 235,589	\$ -	\$ -	\$ -	\$ -

### Budget Highlights:

- Fire impact fees are expected to decrease with fewer new residential and commercial developments.
- Transfer out to Debt Service Fund for one City portion of Fire Truck lease payment



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## STATE ACCOMMODATIONS TAX FUND

This fund accounts for the 2% State Accommodations sales tax from transient room rentals and the associated expenditures that are restricted to tourist related expenditures as stipulated by State Law.

## BUDGET SUMMARY- STATE ACCOMMODATIONS TAX FUND

	FY 2025	FY 2026 Original	FY 2026 Revised	FY 2027	Increase
	Actual	Budget	Budget	Recommended	(Decrease) from
				Budget	Prior Year
					Original Budget
<b>Revenues</b>					
State Accommodations Tax	\$ 977,810	\$ 916,667	\$ 916,667	\$ 850,000	\$ (66,667)
Interest	42,623	30,000	30,000	30,000	-
Release of Committed Fund Balance- Capital Projects	-	368,639	468,639	439,639	71,000
Release of Fund Balance	-	224,363	224,363	8,846	(215,517)
<b>Total Revenues</b>	<b>1,020,433</b>	<b>1,539,669</b>	<b>1,639,669</b>	<b>1,328,485</b>	<b>(211,184)</b>
<b>Expenditures</b>					
Salaries	16,728	18,366	18,366	25,318	6,952
Benefits	6,752	7,363	7,363	9,491	2,128
<b>Operations</b>					
Designated Marketing Organization	285,843	267,500	267,500	247,500	(20,000)
Downtown Twilight Hours Initiative	4,025	95,000	95,000	50,000	(45,000)
Tourism Grants to Qualified NPO's	392,580	649,420	649,420	426,146	(223,274)
Affordable Housing Trust	31,274	32,230	32,230	33,197	967
Capital	-	31,567	31,567	30,945	(623)
Transfers out	92,515	438,223	538,223	505,889	67,666
<b>Total Expenditures</b>	<b>829,717</b>	<b>1,539,669</b>	<b>1,639,669</b>	<b>1,328,485</b>	<b>(211,184)</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 190,715</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>

- Release of committed fund balance for capital projects include:
  - Arsenal Walls Rehabilitation Project Phase 1 and 2 for \$239,639
  - Arsenal Windows Project for \$200,000

## **AMERICAN RESCUE PLAN ACT (ARPA) FUND**



The American Rescue Plan Act (ARPA) Fund, a new fund adopted in FY 2022, accounts for the collection of ARPA funds and the related expenditures in accordance with the Federal Treasury Department's guidance.

## BUDGET SUMMARY- ARPA FUND

	FY 2025	FY 2026 Original	FY 2026 Revised	FY 2027	Increase
	Actual	Budget	Budget	Recommended	(Decrease)
				Budget	from Prior Year
					Original
<b>Revenues</b>					
Intergovernmental	\$2,501,162	\$ -	\$ -	\$ -	\$ -
Interest	195,311	133,871	133,871	20,000	(113,871)
Release of Committed Fund Balance- Capital Projects	-	1,352,827	1,352,827	694,220	(658,607)
Release of Fund Balance	-	100,000	110,361	54,256	(45,744)
<b>Total Revenues</b>	<b>2,696,473</b>	<b>1,586,698</b>	<b>1,597,059</b>	<b>768,476</b>	<b>(818,222)</b>
<b>Expenditures</b>					
Salaries	67,500	94,500	97,972	53,040	(41,460)
Benefits	27,974	39,371	40,281	21,216	(18,156)
Operations	193,473	100,000	100,000	-	(100,000)
Capital	462,929	-	5,978	-	-
Transfers Out	1,749,285	1,352,827	1,352,827	694,220	(658,607)
<b>Total Expenditures</b>	<b>2,501,162</b>	<b>1,586,698</b>	<b>1,597,059</b>	<b>768,476</b>	<b>(818,222)</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 195,311</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>

The budgeted expenditures are highlighted by the follow items:

- Transfers out to capital projects fund for the following project:
  - Duke Street Streetscape and Drainage Construction- \$694,220

## **TAX INCREMENT FINANCING DISTRICT II (TIF II) FUND**



The Tax Increment Financing District II Fund (TIF II) is used to account for property tax proceeds generated in the TIF II district. These funds are restricted for expenditures and capital improvement projects that benefit the TIF district.

## BUDGET SUMMARY- TIF II FUND

		FY 2026 Original	FY 2026 Revised	FY 2027	Increase
	FY 2025 Actual	Budget	Budget	Recommended	(Decrease) from
Revenues				Budget	Prior Year Original
					Budget
Interest	\$ 171,067	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Release of Committed Fund Balance- Capital Projects	-	1,100,000	1,200,000	2,900,000	1,800,000
Release of Fund Balance	-	620,000	675,361	258,175	(361,825)
<b>Total Revenues</b>	<b>171,067</b>	<b>1,840,000</b>	<b>1,995,361</b>	<b>3,278,175</b>	<b>1,438,175</b>
<b>Expenditures</b>					
Operating	20,000	-	-	-	-
Capital	26,814	740,000	795,361	378,175	(361,825)
Transfers Out	-	1,100,000	1,200,000	2,900,000	1,800,000
<b>Total Expenditures</b>	<b>46,814</b>	<b>1,840,000</b>	<b>1,995,361</b>	<b>3,278,175</b>	<b>1,438,175</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 124,254</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The budgeted expenditures are highlighted by the follow items:

- \$173,175 capital for IT switches upgrades to City Hall and PD/Court Complex
- \$45,000 to upgrade City Hall Lights and \$30,000 to upgrade City Hall safety cameras
- \$150,000 transfers out to capital projects fund for Police Department Building Upfit.
- \$800,000 transfers out to capital projects fund for Fire Station One Renovations
- \$1,000,000 transfers out to capital project fund for City Hall Parking Land Acquisition and Design
- \$250,000 transfers out to capital projects fund for SC 1<sup>st</sup> Volunteers Park project
- \$700,000 transfers out to capital projects fund for City Hall/PD/Court Roof project

## DEBT SERVICE FUND



The Debt Service Fund is used to account for the accumulation of resources and payments of general long-term debt principal and interest. The City issues bonds to support the growing capital needs of the City.

## BUDGET SUMMARY- DEBT SERVICE FUND

	<b>FY 2027</b>
	<b>Recommended</b>
	<b>Budget</b>
<b>Revenues</b>	
Property Taxes	\$ 1,650,303
Transfers In	2,021,014
Total Revenues	<u>3,671,317</u>
 <b>Expenditures</b>	
Debt	3,617,954
Contribution to Fund Balance	53,363
Total Expenditures	<u>3,671,317</u>
 Net (Deficit) Surplus	<u>\$ -</u>

The budgeted revenues are highlighted by the follow items:

- \$1,650,303 for debt millage revenue previously reported in General Fund
- \$2,021,014 transfers in comprised of the following:
  - \$492,239 from General Fund (3 Fire Truck Lease and Energy Savings Contract Lease)
  - \$63,654 from Fire Impact Fee Fund (City portion of one fire truck lease)
  - \$969,520 from Parks and Tourism Fund (Waterfront Park and Southside/Washington Street Park Revenue Bonds)
  - \$495,600 from Stormwater Fund (Stormwater Bond).

The budgeted expenditures are highlighted by the follow items:

- \$3,617,954 is the City's principal and interest payments on GO Bonds, Limited Obligation Bonds, Revenue Bonds, and capital leases.



# Salaries and Benefits – All Funds

# Salaries By Department

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	Increase (Decrease) from Prior Year Revised Budget	% Change
<b><u>General Fund</u></b>						
City Council	\$ 67,340	\$ 67,550	\$ 67,550	\$ 67,550	\$ (0)	0.00%
City Manager	560,656	621,586	625,058	738,387	113,329	18.23%
Finance	565,673	628,631	634,766	653,456	18,690	2.97%
Human Resources	239,630	255,804	260,074	250,367	(9,706)	-3.79%
Municipal Court	256,392	302,855	315,048	310,138	(4,909)	-1.62%
Community Development	685,122	732,239	737,856	761,613	23,757	3.24%
Police						
Police Staffing	2,867,642	3,125,645	3,272,735	4,054,781	782,046	25.02%
School Resource Officers	417,257	469,805	469,805	510,084	40,279	8.57%
School Crossing Guards	18,998	20,295	20,295	19,922	(373)	-1.84%
Victims Rights	73,669	85,869	85,869	90,705	4,836	5.63%
Beaufort Fire	4,382,980	4,515,014	4,855,202	5,041,914	186,712	4.14%
Public Works						
Administration	211,245	226,209	252,191	252,348	157	0.07%
Streets & Traffic	118,335	136,914	158,933	131,005	(27,928)	-20.40%
Facilities Maintenance	43,168	43,753	43,753	44,721	968	2.21%
Total General Fund Salaries	<u>\$ 10,508,108</u>	<u>\$ 11,232,170</u>	<u>\$ 11,799,136</u>	<u>\$ 12,926,992</u>	<u>\$ 1,127,856</u>	<u>10.04%</u>
<b><u>Parks &amp; Tourism Fund</u></b>						
City Parks	\$ 546,959	\$ 698,612	\$ 724,594	\$ 762,950	\$ 38,356	5.49%
Police Support	943,973	1,109,428	1,158,458	1,253,935	95,477	8.6%
Downtown Operations	255,232	274,952	289,228	304,385	15,158	5.5%
Total Parks & Tourism	<u>\$ 1,746,163</u>	<u>\$ 2,082,992</u>	<u>\$ 2,172,280</u>	<u>\$ 2,321,270</u>	<u>\$ 148,991</u>	<u>6.9%</u>
<b><u>ARPA Fund</u></b>						
ARPA	\$ 67,500	\$ 94,500	\$ 97,972	\$ 53,040	\$ (44,932)	-47.5%
<b><u>Stormwater Fund</u></b>						
Stormwater Division	\$ 384,248	\$ 466,621	\$ 492,603	\$ 466,161	\$ (26,441)	-5.7%
<b><u>State Accommodations Fund</u></b>						
Police Support	\$ 16,728	\$ 18,366	\$ 18,366	\$ 25,318	\$ 6,952	37.9%
Total Salaries	<u>\$ 12,722,747</u>	<u>\$ 13,894,649</u>	<u>\$ 14,580,357</u>	<u>\$ 15,792,781</u>	<u>\$ 1,212,425</u>	<u>45 8.3%</u>

# Benefits By Department

	<u>FY 2025 Actual</u>	<u>FY 2026 Original Budget</u>	<u>FY 2026 Revised Budget</u>	<u>FY 2027 Recommended Budget</u>	<u>Increase (Decrease) from Prior Year Revised Budget</u>	<u>% Change</u>
<b><u>General Fund</u></b>						
City Council	\$ 24,052	\$ 24,699	\$ 24,699	\$ 25,089	\$ 390	1.58%
City Manager	178,694	201,548	202,458	242,746	40,288	19.99%
Finance	206,188	235,761	237,368	242,330	4,961	2.10%
Human Resources	88,450	101,802	102,921	100,499	(2,422)	-2.38%
Municipal Court	98,854	138,143	141,339	108,297	(33,041)	-23.92%
Community Development	250,797	284,706	286,177	298,316	12,139	4.26%
Police						
Police Staffing	1,218,633	1,329,720	1,372,214	1,637,644	265,431	19.96%
School Resource Officers	192,258	223,237	223,237	215,589	(7,648)	-3.43%
School Crossing Guards	3,480	3,763	3,763	3,725	(38)	-1.00%
Victims Rights	30,214	34,161	34,161	35,306	1,145	3.35%
Beaufort Fire	1,773,594	1,892,848	1,991,128	2,063,946	72,818	3.85%
Public Works						
Administration	88,398	103,098	109,908	101,300	(8,607)	-8.35%
Streets & Traffic	54,923	64,862	80,478	62,354	(18,124)	-27.94%
Facilities Maintenance	24,390	21,068	21,068	27,681	6,613	31.39%
Total General Fund Benefits	<u>\$ 4,232,926</u>	<u>\$ 4,659,415</u>	<u>\$ 4,830,918</u>	<u>5,164,822</u>	<u>\$ 333,904</u>	<u>6.91%</u>
<b><u>Parks &amp; Tourism Fund</u></b>						
City Parks	\$ 213,318	\$ 316,136	\$ 322,946	\$ 335,388	\$ 12,443	3.9%
Police Support	398,114	472,045	486,210	526,350	40,139	8.5%
Downtown Operations	83,127	99,700	103,441	93,764	(9,676)	-9.7%
Total Parks & Tourism	<u>\$ 694,559</u>	<u>\$ 887,880</u>	<u>\$ 912,596</u>	<u>\$ 955,502</u>	<u>\$ 42,906</u>	<u>4.7%</u>
<b><u>ARPA Fund</u></b>						
ARPA	\$ 27,974	\$ 39,371	\$ 40,281	\$ 21,216	\$ (19,066)	100.0%
<b><u>Stormwater Fund</u></b>						
Stormwater Division	\$ 160,421	\$ 200,336	\$ 207,146	\$ 233,045	\$ 25,899	12.9%
<b><u>State Accommodations Fund</u></b>						
Police Support	\$ 6,752	\$ 7,363	\$ 7,363	\$ 9,491	\$ 2,128	28.9%
Total Benefits	<u>\$ 5,122,632</u>	<u>\$ 5,794,365</u>	<u>\$ 5,998,304</u>	<u>\$ 6,384,076</u>	<u>\$ 385,772</u>	<u>46 6.7%</u>

## CAPITAL PROJECTS AND CAPITAL IMPROVEMENT PLAN



## **CAPITAL PROJECTS FUND AND RECOMMENDED CAPITAL IMPROVEMENT PLAN**

Stormwater Projects are included in the Capital Projects Fund if the project spans longer than one year to complete.

### **RECOMMENDED FY 2027 CAPITAL PROJECTS**

- The City has four active grant awards that impact City Infrastructure. These projects are included in the active Capital Projects list.
  - The Charles/Craven drainage project is fully funded by a SC Office of Resilience grant for \$11,962,093.
  - The King Street drainage project is partially funded by a Rural Infrastructure Authority grant for \$8,093,231.
  - The Bayard Street drainage project is partially funded by a FEMA grant for \$800,000.
  - The Marina A and D dock project is partially funded by a \$513,333 FEMA Public Assistance Program grant due to the impact from Hurricane Helene.

## BUDGET SUMMARY- CAPITAL PROJECTS FUND

	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Revised Budget	FY 2027 Recommended Budget	Increase (Decrease) from Prior Year Original Budget
<b>Revenues</b>					
Grants	\$ 1,813,104	\$ 21,064,812	\$ 21,226,812	\$ 19,125,790	\$ (1,939,022)
Partnerships	-	528,947	528,947	-	(528,947)
Transfers In	5,937,189	6,155,712	6,409,712	6,393,397	237,685
Interest	88,026	-	-	-	-
Release of Fund Balance	-	700,000	700,000	-	(700,000)
<b>Total Revenues</b>	<b>7,838,319</b>	<b>28,449,471</b>	<b>28,865,471</b>	<b>25,519,187</b>	<b>(2,930,284)</b>
<b>Expenditures</b>					
Capital	7,341,782	28,449,471	28,865,471	25,519,187	(2,930,284)
<b>Total Expenditures</b>	<b>\$ 7,341,782</b>	<b>\$ 28,449,471</b>	<b>\$ 28,865,471</b>	<b>\$ 25,519,187</b>	<b>\$ (2,930,284)</b>
<b>Net (Deficit) Surplus</b>	<b>\$ 496,537</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Budget Highlights:

- 16 active capital projects on parks, stormwater, and streets improvements throughout the City for a total of \$25,519,187.

# FY27 Recommended Capital Projects Funding Sources

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<b>Funding Sources</b>	<b>FY 2027 Recommended Budget</b>
<b>Category</b>	
Grants	\$ 19,125,790
Transfers In	6,393,397
Total	\$ 25,519,187

# FY27 Recommended Capital Projects Funding Sources Detail - Grants

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Grant	Project	FY 2027 Recommended Budget
SCOR Grant	Charles/Craven Street Drainage	\$ 8,912,679
SCIIP Grant	King Street Drainage	8,854,314
STAG Grant	Bayard Street Drainage	683,464
FEMA BRIC Grant	Pigeon Point Drainage Study	162,000
FEMA Grant	Marina A and D Docks	513,333
	Grant Total	\$ 19,125,790

## FY27 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2027 Recommended Budget
General	Fund Balance	Duke Street Streetscape and Drainage	375,000
Stormwater	Stormwater Bond Funds	Bayard Street	419,091
Stormwater	Stormwater Bond Funds	Pigeon Point Drainage Study	54,000
TIF II	Fund Balance	Police Department Building Upfit	150,000
TIF II	Fund Balance	City Hall/PD/Court Roof	700,000
TIF II	Fund Balance	Fire Station One Renovations	800,000
TIF II	Fund Balance	City Hall Parking Land Acquisition and Design	1,000,000
TIF II	Fund Balance	SC 1 <sup>st</sup> Volunteers Park	250,000
ARPA	Fund Balance	Duke Street Streetscape and Drainage	694,220

## FY27 Recommended Capital Projects Funding Sources Detail – Transfers In

Fund Providing Transfer In	Category	Project	FY 2027 Recommended Budget
Parks and Tourism	P&T Revenue Bond	Southside Park- Phase II Construction	275,000
Parks and Tourism	P&T Revenue Bond	Waterfront Park Relieving Platform Engineering	925,000
Parks and Tourism	Fund Balance	Carnegie Building Interior	200,000
Parks and Tourism	Fund Balance	Marina A and D Docks	111,447
State Accommodation Tax	Fund Balance	Arsenal Walls Rehabilitation	239,639
State Accommodation Tax	Fund Balance	Arsenal Windows	200,000
		Transfers In Total	\$6,393,397

# FY27 Recommended Capital Projects Expenditure Detail

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Projects	FY 2027 Recommended Budget
Fire Station One Renovations	\$ 800,000
Southside Park- Phase II Construction	275,000
1 <sup>st</sup> SC Volunteer Park	250,000
Waterfront Park Relieving Platform Phase II Engineering	925,000
Charles/Craven Street Drainage	8,912,679
King Street Drainage	8,854,314
Bayard Street Drainage	1,102,555
Police Department Building Upfit	150,000
City Hall Parking Land Acquisition and Design	1,000,000

# FY27 Recommended Capital Projects Expenditure Detail

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Projects	FY 2027 Recommended Budget
Carnegie Building Interior	\$ 200,000
Arsenal Walls Rehabilitation	239,639
Arsenal Windows	200,000
City Hall/PD/Court Roof Replacement	700,000
Pigeon Point Drainage Study	216,000
Marina A and D Dock	624,780
Duke Street Streetscape and Drainage Construction	1,069,220
Total	\$ 25,519,187

# Capital Project Fund Detail

Description	State						Total FY27 Recommended
	TIF II Fund	Parks and Tourism Fund	Accommodations Tax Fund	Stormwater Fund	ARPA Fund	General Fund	
<b>City Facilities</b>							
Carnegie Building Interior		\$ 200,000					\$ 200,000
Arsenal Walls Rehabilitation			239,639				239,639
Arsenal Windows			200,000				200,000
City Hall/PD/Court Roof Replacement	700,000						700,000
Fire Station One Renovations	800,000						800,000
City Hall Parking Land Acquisition/Design	1,000,000						1,000,000
Police Department Building Upfit	150,000						150,000
<b>Parks</b>							
Southside Park		275,000					275,000
Waterfront Park Relieving Platform Engineering		925,000					925,000
1st South Carolina Volunteer Park	250,000						250,000
<b>Stormwater</b>							
Charles/Craven Street Drainage						8,912,679	8,912,679
King Street Drainage						8,854,314	8,854,314
Bayard Street				419,091		683,464	1,102,555
Pigeon Point Drainage Study				54,000		162,000	216,000
<b>Marina</b>							
Marina A and D Dock		111,447				513,333	624,780
<b>Streets</b>							
Duke Street Streetscape and Drainage					694,220	375,000	1,069,220
	\$ 2,900,000	\$ 1,511,447	\$ 439,639	\$ 473,091	\$ 694,220	\$ 375,000	\$ 19,125,790
							\$ 25,519,187