

TOWN OF JAMES ISLAND

FY 2026-2027 DRAFT BUDGET

May 2026

BUDGETING

Annual Budget Schedule

- ~~Draft Budget: _____~~ ~~March 25~~
- ~~Budget Workshop: _____~~ ~~April 2~~
- ~~Revised Budget: _____~~ ~~April 16~~
- ~~2nd workshop if needed~~ ~~Week of April 20th~~
- ~~Publication: _____~~ ~~By April 28~~
- Budget Hearing / Intro: May 21
- 2nd Reading of Ord: June 18

Budgeting Process

- Revenue estimates from prior history or known guidance
- Expenditures are projected based on Council priorities and changes to personnel, costs, and departmental needs
- Capital Projects budget includes potential 5-year Capital Improvements Plan

Monitoring throughout year for

- Budget Transfers
- Budget Amendments

BUDGET FUNDS



General Fund

-includes a Capital Project Fund



Accommodations Tax (ATAX)

-Restricted to certain legislative uses



Hospitality Tax (HTAX)

-Operations
-Includes a Capital Project Fund
-Restricted to certain legislative uses



Stormwater

-Managed by County
-Reimbursement Fund restricted to what we determine are stormwater activities or projects

GENERAL FUND / BUDGET OVERALL

- **\$5,693,062 in revenues, \$5,687,115 in expenses for a \$5,947 surplus budget.**
- **\$1,688,843 is in Capital Projects.**
- **About \$3.5 million GF cash balance.**
- **About \$4 million GF restricted balance.**
- **Majority of Town reserves are invested with the SC Investment Pools fund making 3.89% this current fiscal year.**
- **General slight-to-moderate estimated increases in revenues.**

GENERAL FUND HISTORY

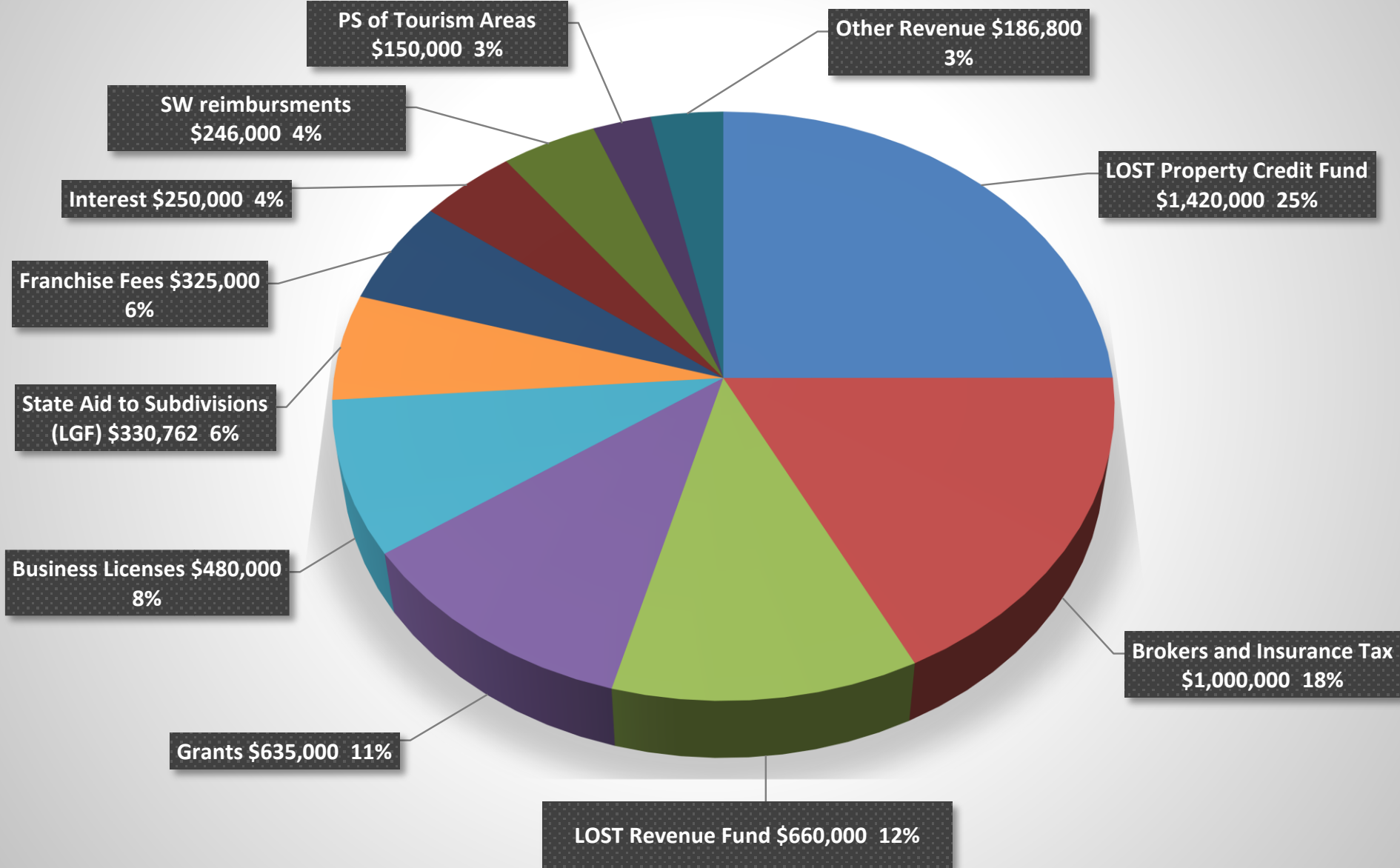
| | <u>21/22</u> | <u>22/23</u> | <u>23/24</u> | <u>24/25</u> | <u>25/26</u> | <u>26/27</u> |
|---------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| General Fund Expenditures | \$3,492,318 | \$3,586,262 | \$4,152,022 | \$4,167,949 | \$4,655,896 | \$5,687,115 |

**GENERAL
FUND
REVENUE**

Town of James Island
Revenue Budget FY 2026-2027

| Account | Line Item | notes | Proposed BUDGET 2026-2027 |
|---------|--|-------------------|---------------------------------|
| | Brokers and Insurance Tax | | <u>\$1,000,000</u> |
| 40011 | <i>Brokers Tax Program (BTP)</i> | | \$175,000 |
| 40012 | <i>Insurance Tax Program (ITP)</i> | | \$825,000 |
| 40015 | Building Permit Fees | | \$18,000 |
| 40020 | Business License Fees | | \$480,000 |
| 40025 | Contributions/Donations/Com Programs | | \$20,000 |
| 40050 | Facility Rentals | | \$13,000 |
| 40060 | Filing Fees | | \$0 |
| 40070 | Franchise Fees | | \$325,000 |
| 40080 | Interest | | \$250,000 |
| 40090 | Alcohol Licenses | | \$6,000 |
| 40100 | Local Assessment Fee | | \$9,000 |
| | LOST Total | | <u>\$2,080,000</u> |
| 40112 | <i>LOST Property Credit Fund</i> | | \$1,420,000 |
| 40114 | <i>LOST Revenue Fund</i> | | \$660,000 |
| 40120 | Miscellaneous Income | | \$2,000 |
| | Planning & Zoning Fees | | \$35,000 |
| 40250 | Stormwater Fee Reimbursements from County SW Fund | | \$246,000 |
| 40300 | State Aid to Subdivisions (LGF) | | \$330,762 |
| 40310 | Telecommunications Tax Program (TTP) | | \$10,000 |
| 40315 | Town Market Vendor Payments | | \$9,800 |
| 40320 | Homestead Exemption Receipts | | \$46,000 |
| 40500 | Grants | legislative funds | \$635,000 |
| 41010 | State ATAX transfer - 25k | | \$25,000 |
| 41015 | State ATAX - additional % | | \$2,500 |
| 41020 | Transfer In from HTAX for Public Safety of Tourism Areas | | \$150,000 |
| 41025 | Transfer in from State ATAX for New JIACC | | \$0 |
| 41030 | Transfer in from County ATAX for New JIACC | | \$0 |
| | | | 5,693,062 |

2026-2027 Revenue



GENERAL FUND DEPARTMENTS



Administration



Elected Officials



Public Works



Code
Enforcement



Planning &
Zoning



Emergency
Response /
CERT



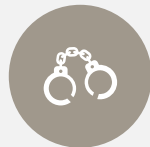
Facilities, Parks,
& Equipment



Tree Fund
(locally restricted)



Community
Services



Island Sheriff's
Patrol



Capital Projects

ADMINISTRATION - \$1,901,522

- **Hiring for 1 potential employee**
- **3.0% COLA for employees**
- **No election expenses planned**
- **Most costs are budgeted to remain the same or with slight increases**
- **Increase in Insurance projected (new fixtures and Art and Community Center)**
- **Legal Services (Attorney) increase**

ELECTED OFFICIALS - \$197,100

- **Increase to Training line item**

PUBLIC WORKS - \$400,400

- **Increase in signage**
- **Stormwater reimbursable expense increased to show match for legislative grants**
- **Other amounts generally the same**

CODE ENFORCEMENT - \$30,700

- **Moved Crime Watch Materials to this Department**
- **Added Debris Removal and Debris Removal Leins**
- **Added Professional Services**
- **Added Wayfinding Signage**
- **Generally, other expenses are the same**
- **Left line item for Unsafe Building Demo, but no amount budgeted**

PLANNING & ZONING - \$53,800

- **Professional services to include Comprehensive Plan**
- **Generally, amount remained the same**
- **Slight decreases for Planning Commission and BZA meetings**

EMERGENCY RESPONSE / CERT - \$57,600

- **Generally, some costs slightly lower and some slightly higher**
- **No major differences**
- **Crime Watch Materials moved to Code Enforcement**
- **Storms are unpredictable and this funding is needed to be maintained**

FACILITIES, PARKS, & EQUIPMENT - \$424,250

- **Work in this department is not eligible or appropriate for HTAX and not a Capital Project (for example, maintenance)**
- **Increase in Facilities Maintenance (added Arts and Cultural Center)**
- **Increase in Street Light and Utility costs**
- **Increase in Dock Street, Mill Point, and Pinckney Park maintenance due to new pavilion construction and better upkeep**

TREE FUND – **NEG \$8,994 ENDING BALANCE**

- **This is a self-restricted fund for tree mitigation and maintenance**
- **Expense to actively begin better tree maintenance, planting and care of public area trees**

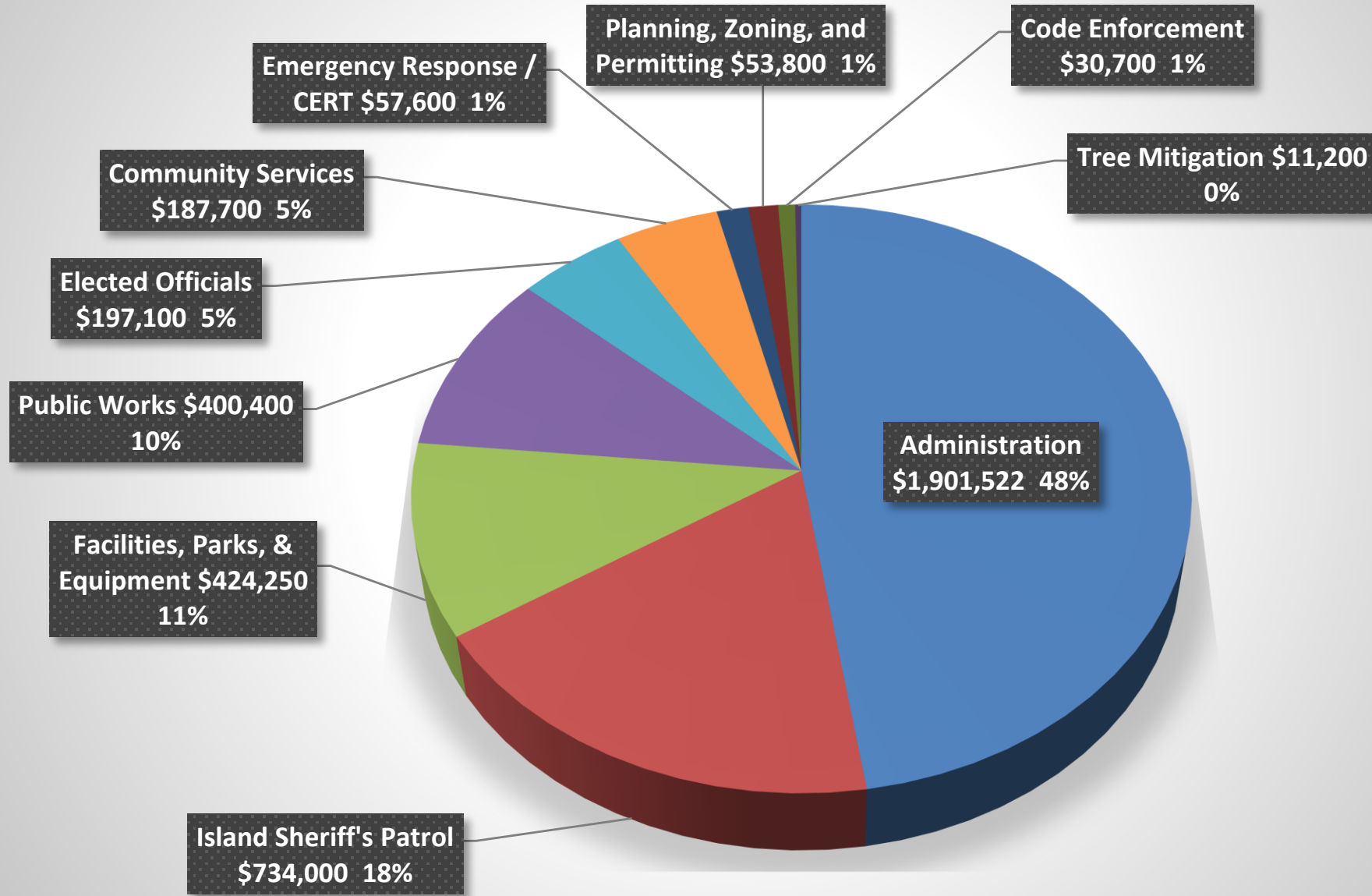
COMMUNITY SERVICES - \$187,700

- **ALL Council Committees have a line item**
- **Children's Council, Neighborhood Council, History Commission, and Tree Council all increased due to activity**
- **Special / Community Events increased due to additional successful programs**
- **Generally, no changes in other items**

ISLAND SHERIFF'S PATROL - \$734,000

- **25% of these items are from transfers from HTAX Operating Budget. This was previously calculated, so you only saw 75% of the cost. This budget shows the true cost being estimated, and in revenue there is an estimated transfer for the split.**
- **Rates and holiday pay are as specified by the agreement with the Charleston County Sheriff's Department.**
- **Generally, no other changes**

2026-2027 Expenses by Department



CAPITAL PROJECTS - \$1,688,843 (TOTAL)

- Not a separate “fund”, but an allocation of (typically General Fund) funds for Capital Projects that can be depreciated. This includes sizeable real-property improvements, new construction, vehicles, and large equipment.
- Projects can be split into future budget years and, if appropriate, into other funds such as the Hospitality Tax (HTAX) Capital Project budget.
- Existing Projects are in categories of **Infrastructure**, **Drainage**, and **Other**.
- Stormwater Capital Projects can also be paid for with the County Stormwater Funds.
- When we make a commitment for our match to a grant, such as CTC Funding or the agreements we’ve made with JIPSD regarding their sewer projects, it is “earmarked” in this budget.
- However, if not paid out in any given year, we have to plan for it to be paid the following year.
- The Capital Projects fund may need additional General Funds from reserves depending on the timing of projects.
- **CURRENT GF COMMITMENTS:** About \$2.25 million.

CAPITAL PROJECTS (CONTINUED)

Previously Committed Projects:

- Dills Bluff Sidewalk Phase IV - \$223,000 (likely to start in 2026-2027 year; bulk of project in 2027-2028)
- Nabors Sidewalk Phase I - \$235,000 (other parties not funded yet, likely to be needed in 2027-2028)
- Honey Hill Road Paving - \$58,800 (planned for in 2026-2027)
- RIA Grant with JIPSD - \$1,000,000 (reimbursable, likely to start in 2026-2027 and complete 2027-2028)
- Legislative Funding with JIPSD - \$500,000 (reimbursable, likely to start in 2026-2027 and complete 2027-2028)
- James Island Creek Sewer for JIPSD - \$444,000 (one draw on this, \$230,043 remaining to be paid 2026-2027)

Other

- Bayfront Drainage Project – (IF FUNDED): Likely to start in 2026-2027 with bulk of project in 2027-2028
- Additional to Traffic Calming
- Audio Visual, ISP Vehicle, Town Hall work should all be completed by June 2026. However, some token amounts are included for the 2026-2027 year. For example, we should allow for an amount for a vehicle each year so the “hit” of needing to replace one quickly is not as impactful.
- Phone System, Dock Street and Mill Point Pavilions (split with HTAX), and Grace Triangle Improvements are still included.
- \$150,000 current year for Dock Street and Mill Point, \$50,000 for 2026-2027.

--Projects can be split into future budget years. Committed funds may need to be planned for later years.--

HOSPITALITY TAX (HTAX) BALANCE - \$3,075,543

- Hospitality Tax is a separate fund in which the sales tax revenue received can only be expended in certain legislatively-define ways. Careful consideration must be given to how HTAX funds are allocated. Transfers to the Town's General Fund do occur.
- 25% of the Island Sheriff's Patrol Budget can be transferred from HTAX to the General Fund for public safety of tourism areas
- The estimated FYE balance is \$3,075,543. 2026-2027 revenue is estimated at \$800,000.
- Operating expenses are estimated at \$58,500 with a transfer of \$150,000.
- As with the General Fund Capital Projects, funds are committed to certain projects. HTAX Capital Projects include:
 - Rethink Folly Phase I: \$400,000 committed, allowed for in 2026-2027
 - Land Acquisition (Mill Point): \$661,176 is the annual January payment through 2028-2029
 - New JIACC (estimate of initial phase): \$2,800,000 with an estimated \$200,000 in current year
 - Dock Street and Mill Point Improvements: \$225,000 current year, with \$50,000 2026-2027 (split with GF)

If all these projects were to occur, the estimated balance of the HTAX fund at fiscal-year-end would be \$5,867

--Projects can be split into future budget years. Committed funds may need to be planned for later years.--

STORMWATER FUND

- The Stormwater fund is managed by Charleston County for the Town of James Island. Sales taxes are collected to help address stormwater issues.
- The Town applies stormwater projects to this fund and the General Fund is then reimbursed by the County with this set-aside funding.
- The Town determines what is a stormwater expense, not the County. The County does charge certain projects that they complete on our behalf to this fund.
- The County assumes we will spend the entire balance on projects in a year.
- The approximate estimated balance to begin FY 2026-2027 is \$878,637. Revenue is estimated at \$320,000. Interest has been credited by the County in the past, but that is an unknown.
- We have committed \$126,000 for the Bayfront Drainage legislative grant.
- Other projects could be allocated up to about \$1,072,637.

ACCOMMODATIONS TAX (ATAX) FUND - \$70,715

- The ATAX fund revenue is generated by overnight stays in the Town and must be spent in certain legislatively-defined ways that increase and support the number of overnight stays.
- The Town applies distributes this funds to various groups for the above purposes.
- Minimal distributions for current year.
- \$27,500 to General Fund. Other expense for Sea Islands Chamber of Commerce.
- 2026-2027 Revenue is estimated at \$75,000 and this would give about \$116,715 to distribute to groups in 2026-2027 Fiscal Year.