

# Charleston Naval Complex Redevelopment Authority

## AGENDA ITEM

**Item No:** 2  
**Session:** Regular  
**Date:** June 30, 2015  
**Subject:** 2015-2016 Budget

### Background:

Revenues for the 2014-2015 Budget were up with the final reimbursement from the Economic Development Administration and the S.C. Department of Revenue (DOR) still owes the Authority about \$1.8M that will get picked up in the Audit for this fiscal year.

The Authority still owns property that is leased by the SPA with the exception of the southern half of the Viaduct Bridge parcel, which is currently under condemnation proceedings by the Department of Commerce as it was last year. You will also note that because the Authority still owns land, that Leased Property Operation expenses are very near 100% of the budget as the properties have not transferred and have associated Storm Water Fees. You will also note in Expenses that Rural Development Share is at 283%, but that is because income is at 115% and is a complete guess in any given year. All other areas of revenue for the 2015-2016 Budget are projected to be fairly consistent with the current budget with the exception of EDA reimbursement, which is finished. Lack of Bank Interest continues to plague the Authority. I have left RDA Office Expenses the same as we are still getting a feel for the building and while I do not think we will approach what is budgeted (it is already less), I do not have a handle on what water, sewer and landscaping will cost as we proceed with exterior improvements same as last year.

I have not included a raise for employees in the 2015-2016 budget. Should the Authority choose to give Staff a raise, it will not increase the Personnel budget. I did not include a raise for myself as that is for the Authority to decide. The Personnel budget will also give the Authority flexibility to hire an additional staff person that can be the events coordinator as our construction projects are being completed.

Under Capital Improvement Projects I have allocated \$7M. There are several projects that the Authority has committed to act on:

- 1) The demolition, relocation and construction of the Chapel. (underway)
- 2) The renovation of Quarter's F. (design completed)
- 3) The study and possible repair of Quarter's A. (study and design completed)
- 4) The improvements to the exterior of Quarter's H&I.

Other projects to benefit the Base still remain to be considered, which are mainly roadway and parking improvements.

I am expecting revenues to be about \$8M and for expenditures to be about \$10.5M. The Authority's current total balance on hand is approximately \$25M.

**Authority Action Requested:** To approve the 2015-2016 Budget and to reconcile expenses to accurately reflect expenditures as of the end of the fiscal year.

**Staff Recommendation:**

Same as above.

CHARLESTON NAVAL COMPLEX REDEVELOPMENT AUTHORITY  
TOTAL REVENUE AND BUDGETED EXPENSES  
13-'14 FUNDING STATUS (UNAUDITED)  
As of June 13, 2014

REVENUES	PROPOSED 15-'16 BUDGET	14-'15 BUDGET	ACTUAL
EDA Reimbursement	\$0.00	\$3,500,000.00	\$5,316,434.00
Bank Interest	\$15,000.00	\$15,000.00	\$5,767.32
Lease Income	\$106,000.00	\$106,000.00	\$158,888.79
Personal Property Sales	\$10,000.00	\$10,000.00	\$0.00
Rural Development Act Income	\$8,000,000.00	\$8,000,000.00	\$7,957,752.75
Miscellaneous Income	\$5,000.00	\$5,000.00	\$0.00
<b>TOTAL REVENUES</b>	<b>\$8,136,000.00</b>	<b>\$11,636,000.00</b>	<b>\$13,438,842.86</b>
<b>EXPENSES</b>			
Operating			
Personnel	\$540,000.00	\$540,000.00	\$424,625.77
Benefits	\$200,000.00	\$200,000.00	\$145,151.05
Leased Property Operations	\$50,000.00	\$50,000.00	\$49,487.64
RDA Office Expenses	\$295,000.00	\$295,000.00	\$103,928.09
Rural Development Share	\$300,000.00	\$300,000.00	\$849,075.65
Travel	\$50,000.00	\$50,000.00	\$19,795.00
Redevelopment Partners	\$450,000.00	\$427,500.00	\$215,000.00
Misc. Contracts/Agreements	\$300,000.00	\$300,000.00	\$4,696.50
Bank Charges	\$100.00	\$100.00	\$96.23
Auditing	\$30,000.00	\$30,000.00	\$24,000.00
Legal	\$300,000.00	\$300,000.00	\$222,654.91
Facility O&M	\$150,000.00	\$150,000.00	\$51,652.96
Appraisers and Consultants	\$1,000,000.00	\$1,000,000.00	\$26,012.88
<b>Total Operating Expenses</b>	<b>\$3,665,100.00</b>	<b>\$3,642,600.00</b>	<b>\$2,136,176.68</b>
Capital			
Capital Improvement Projects	\$7,000,000.00	\$7,000,000.00	\$3,367,953.15
<b>Total Capital Expenses</b>	<b>\$7,000,000.00</b>	<b>\$7,000,000.00</b>	
<b>Total Expenses</b>	<b>\$10,665,100.00</b>	<b>\$10,642,600.00</b>	<b>\$5,504,129.83</b>