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News Release

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CITY MANAGER PRESENTS PROPOSED 2009-2010 OPERATING BUDGET

Budget maintains core services in spite of economic conditions

GREENVILLE (SC) Greenville City Manager Jim Bourey presented the City's proposed 2009-2010 operating budget to City Council at the first of at least two work sessions this afternoon. The proposed budget of \$133,589,611 includes no increase in property taxes or business license fees. "There's no question that the recessionary environment made balancing this year's budget very difficult," said Bourey. "However, in spite of the current economic conditions, the proposed budget ensures that City services are maintained and the quality of life in our neighborhoods and commercial areas is enhanced."

While the current budget poses challenges, the City of Greenville is still in sound financial condition and is in better shape than most other local governments across the nation. According to Bourey, this is due in large part to the City's fiscally conservative policies and practices, as well as the fact that the City's revenues are not subject to as much fluctuation as other governments and Greenville has fortunately not been as hard hit as other cities.

Some of the City's economically-sensitive revenues have been affected by the ongoing recession. License and permit collections, which account for 42% of the City's General Fund revenues, are projected to decrease by 5.2%. This is attributable to a 7.6% decrease in business licenses and a 37.8% decrease in building and other permits. The state's current budget also proposes a \$399,000 cut to the City's Aid to Subdivision distribution. Property tax collections, however, are expected to increase 2.9%. Property tax collections account for 43% of the City's General Fund revenues, and the projected increase is due to new development and increasing property valuations.

Staff is working hard to maximize opportunities for the City to benefit from federal stimulus monies and there will be at least \$22 million spent in the city. While the stimulus funding will not provide any funding for the City's operating budget, it will provide for a significant amount of construction and economic development activity to take place within the city limits in the coming year.

Maintaining the level of service expected by residents, business owners and visitors in light of revenue shortfalls required belt-tightening throughout the organization. Departments supported by the City's General Fund were required to prepare budgets that were 92% of their baseline budgets. While many of the proposed cuts were ultimately restored, preparation of the current budget did require reductions in some areas. As cities, counties and states across the country are laying off employees, the City was committed to preserving services. No full-time staff members will be laid off; however, the budget does include reductions in some part-time positions and elimination of vacant positions. Additionally, there will be no annual merit increase for City employees.

This year, for the first time, identified outcome-based performance measures were included in the budget and departments were asked to link their budgets to a series of goals developed by City staff to define elements desired by city residents and to represent City Council's vision for the city. Particularly in these economic times, it is expected that the performance measurement will be instrumental in allowing the City to focus on results and measure the outcomes of City services.

"We want our citizens to feel secure about the financial condition of their city government and know that while the budget reflects restraint in difficult times, it still gives us the ability to continue delivering quality services to city residents in the coming year," said Bourey. "This budget positions Greenville well as we all weather the current economic crisis."

City Council's second budget workshop is scheduled for May 11 and a public hearing on the proposed budget is scheduled for May 18 at 5:30 p.m. in City Council chambers. Following the public hearing, City Council will hold first reading on the budget ordinance. Second reading is scheduled for May 26.

Interested citizens can view the proposed budget online at www.greenvillesc.gov, at City Hall in the Greenville Cares office (1st floor), Office of Management & Budget (7th floor) and City Clerk's office (10th floor) or at the Hughes Main Library, located at 25 Heritage Green Place.

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