

**TOWN OF SEABROOK ISLAND
TOWN COUNCIL BUDGET WORKSHOP**

September 12, 2019, 1:30 p.m.

Town Administrator Cronin began the September 12 Town Council Budget Workshop at 1:30 p.m. He stated that the rates for employee medical insurance premiums are not increasing and those figures have been lowered about \$2,000 since the last budget meeting. The Town Administrator stated that he had also added \$20,000 to 5203 Professional Services to cover expenses for the updated traffic study and the temporary traffic control plan that will be required in the Settlement Agreement pertaining to the Senior Living Facility. The same amount will be added to an income account since Atlantic Partners II will be repaying the Town for these services.

Under the Restricted Income accounts, the \$10,000 budgeted for the SC Women’s Open has been removed and added to Beach Patrol. At the last meeting, Council had discussed having the “peak season” extending from April 1 through September 30 and the Town Administrator had prepared a mock-up of a beach patrol schedule, with daily coverage from April through September, but eliminating weekends in March. With that schedule, there would be a net increase of 10 days from the coverage schedule in 2019 and an increase of 64 man-hours. The Town Administrator reviewed the details of the schedule with Council. Town Administrator Cronin stated that, after first reading of the dog ordinance, he will have a better idea for beach patrol hours and will provide several mock-up versions to come up with contract amounts from Island Beach Services.

There were no changes to County Accommodations Tax and the entire amount will be spent on Beach Patrol. In the Alcohol account, \$10,000 is being left in the budget for 2020 for a capital beach signage project.

The Town Administrator stated that, for the Designated Funds, we will formally, on paper, transfer the money remaining in the fund balance accounts into the General Fund as had been discussed at a previous meeting. On paper, the money will then be transferred back into four Designated Funds and the balance left at the end of the year will roll back into those funds, not into the General Fund. None of the Designated Funds have a direct revenue source; but, when there is a surplus at the end of the year, Council can move money into these funds from the General Fund. The balance for each Designated Fund account at the beginning of 2020 will be:

- Emergency Fund \$2,000,000
- Road & Drainage Fund 500,000
- Town Facilities Fund 250,000
- Vehicle Replacement Fund 15,000

When expenditures are made for a hurricane related expenses, these will be taken from the Emergency Fund, not the General Fund. Some of these funds may be reimbursed by FEMA, but not all. If at any time, Council wants to bring the balance back up to \$2,000,000 or add to that amount, they can do so. Road & Drainage Fund will include capital improvements to Seabrook Island Road and drainage projects. Expenditures for 2020 is budgeted at \$200,000 due to

drainage improvements that may be recommended by ESP for the roadway and the town hall. We expect to have more firm numbers in the next few weeks and this amount could change before second reading. The Town Administrator stated that ESP has asked that we hold off on repairing the entrance to Town Hall until drainage issues in that area are addressed. There was discussion as to whether this work should be postponed. The Town Administrator will get more information about how much that repair alone would be to determine when the work should be done. The only major capital item for the town hall is building the garage (\$250,000), but drainage issues must be addressed before construction begins. Each year, \$15,000 will be budgeted for the Vehicle Replacement Fund so that money will accumulate to pay for Town vehicles when they need to be replaced.

Councilman Gregg stated that Seabrook Island Village Neighbor to Neighbor (Aging in Place Project) is a group that solicits volunteers to provide services to allow residents to stay safely in their home as they age. He stated that this group has asked the Town to make a financial contribution and he thinks this is a worthwhile effort for the community. Their pilot program will start October 1, with 23 volunteers, and with about a dozen people to which they will be providing services. To begin with, they will primarily transport participants to medical appointments, do light household chores for them and make contact to check on the participants. Once out of the pilot program and into normal operations at the beginning of 2020, they will add to their services. Mayor Ciancio added that he thought their request for funds is to pay for insurance and startup expenses; but, once they get the program started, they should be able to sustain themselves from money they receive from the residents who will use their services. Councilmember Finke stated that she thought this service was good for the Town but was concerned that it would set a precedent for others who might solicit donations. Town Administrator Cronin suggested that Council might consider setting some money aside for a “community promotion fund” as a line item in the budget and organizations could apply to be awarded money in a competitive process. Guidelines could be determined, and a committee could be appointed to score the applications and determine the winner(s). The Town Administrator suggested that it could be limited to “non-profit” organizations, organizations located on Seabrook Island and other such criteria. Council decided that \$5,000 would be set aside in a line item called Community Promotions. Criteria and an application process will be determined over the next few months before the Town begins advertising the process.

Town Administrator Cronin questioned whether \$25,000 was enough for Town signage. Mayor Ciancio suggested that \$35,000 be budgeted for the signage.

Town Administrator Cronin passed out a copy of Ordinance No. 2019-11, which is the ordinance that will adopt the Town’s budget for 2020. He pointed out that Section 2, which is new, lists the three types of funds that the Town will have in 2020 – General Fund, Restricted Funds and Designated Funds. The Restricted Funds are the same as in previous years – State Accommodations Tax Fund, County Accommodations Tax Fund and Alcohol Tax Fund. The Designated Funds that have been set up are the Emergency Fund, Road and Drainage Fund, Town Facilities Fund and Vehicle Replacement Fund. Excess funds remaining in any of the funds at the conclusion of 2020 will remain in that fund unless transferred or expended by Town Council. Interest generated by the General Fund and the Designated Funds shall be credited to

the General Fund and any interest generated by the Restricted Funds shall be credited to each of those funds.

Section 5 provides that the Town has elected to subsidize the employee portion of the monthly medical insurance premiums for full-time employees in 2020. This subsidy can be reduced or eliminated at any time by Town Council. Section 6 contains information about a requirement in the 2019-20 SC Appropriations Act that provides that, if any entity receives public funds from the Town, they are required to provide a detailed report to the Town Administrator describing the purpose for which the funds were used. Section 7 also is related to a requirement of the same Act and provides that the Town will not use any taxpayer funds received from the SC Local Government Fund to compensate employees for lobbying activities engaged in on behalf of the Town.

First reading of the budget ordinance will be held on September 24th.

There being no further business, the meeting was adjourned at 4:00 p.m.

Date: October 22, 2019



Town Clerk