

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

June 3, 2020, at 12:30 p.m.

Mayor Gregg called the meeting to order at 12:30 p.m. Councilmen Crane and Goldstein, Councilwomen Finke and Fox, Town Administrator Cronin and Town Clerk Allbritton attended the meeting. The Mayor stated that the purpose of the meeting was to review and revise the Town's 2020 budget. The Mayor confirmed from the Town Clerk that the meeting had been properly posted and the requirements of the SC Freedom of Information Act had been met. Due to COVID-19 requirements, individuals could dial in to listen to the meeting or could view a live stream video on the Town's YouTube page.

The Mayor turned the meeting over to the Town Administrator to present his draft of the amended 2020 budget.

Town Administrator Cronin stated that, when the original 2020 budget was prepared, we anticipated revenue from all funds to be \$1,530,180, but, because of an anticipated decrease in revenue due to COVID-19, we are now expecting all funds to bring in a total of \$1,288,430 or a decrease of 15.8%. For expenditures, we had budgeted \$2,084,000; but, with the amended budget, the Town Administrator said he was suggesting making budget cuts that would reduce expenditures to \$1,538,650 or a net decrease of 26.2%. The original budget had anticipated using \$553,820 from the fund balance; but, with proposed budget cuts, the net change in fund balance would be \$250,220.

On the General Fund Summary handout, the Town Administrator pointed out that Total Revenue was projected to be \$1,331,500 in the 2020 budget; but, with current economic conditions, he is now projecting that Total Revenue will be \$1,208,900 or a net decrease of 9.2%. The majority of the decrease in the General Fund's Total Revenue would be from Business License Fees – MASC (-16.4%), Interest – Investment Pool (-16.7%), Local Option Sales Tax – County (-20%) and Planning & Zoning Fees (-20%).

The Town Administrator commented that he is recommending preserving the fund balance and bringing the budget back in balance; and, to do this, the General Fund's Total Expenditures would have to decrease by \$182,600 (-13.1%).

The Town Administrator pointed out the following changes to line items in the General Fund Expenditure Details:

- **#5005 Salaries – Gross Wages and Related Expenses (#5010, #5014 & #5015)**– Gross Salaries decreases from \$370,754 to \$361,527. The overlap period in the Town Clerk position is being reduced by a month and the amount for the Administrative Assistant position is being reduced because of a delay in the hire date from January to March. The Town Clerk and the Licensing/Permitting Specialist were given a one-time \$1,500 bonus each and that would add \$3,000. Account #5010 FICA will change due to the change in Gross Salaries. Account #5014 Medical Insurance is decreased due to hiring delays and #5015 Retirement is decreased due to hiring delays and there was no increase in the employer rate for the second half of the calendar year.
- **#6260 Advertising** – No Change
- **#6208 Bank Service Charges** – No Change
- **#6301 Capital Expenditures** – New Town signage (\$50,000) and Upgrades for Council Chambers (\$40,000) are being deleted from the original 2020 budget.
- **Community Promotions** – The funds for the Community Promotions Grant Program (\$5,000) have been removed in the amended budget.

- **#6290 Contingency** – The amount in Contingency, which is to be used for unexpected expenses, has been reduced from \$40,069 to \$34,886.
- **#6291 Contracted Services – Beach Patrol** – The amount paid from the General Fund for Beach Patrol will go from \$35,000 to \$59,000 due to significant reductions from State and County Accommodations Tax.
- **#6292 Contracted Services – IT** – No Change
- **#6293 Contracted Services – Landscaping** – The Town Administrator recommended not putting out an RFP for a new landscaping contract until 2021. The total budget for the line item would be reduced from \$145,000 to \$127,000.
- **#6295 Contracted Services – Other** – This line item is being increased from \$27,450 to \$27,950 because of an increase in cost from Shred 360 for the Town’s two annual shred events.
- **#6051 Council & Committee Expense** – No Change
- **#6401 Court Expenses** – No Change
- **#6151 Emergency Communications** – The line item decreases from \$10,710 to \$9,510.
- **#6220 Emergency Preparedness** – The amount budgeted for the Town’s consultant, Atlantic Business Continuity Services, has increased from \$17,500 to \$20,000. Disaster Awareness Day (\$5,000) has been cancelled due to COVID-19 and Miscellaneous Emergency Preparedness Expenses has been decreased from \$2,500 to \$1,000 leaving the line item at \$33,000.
- **#6235 Equipment Rentals** – No Change
- **#6101 Furniture & Equipment** – The line item has decreased from \$11,500 to \$5,300. Art & Photography has been removed (\$2,200) and Drapes & Window Coverings will be reduced from \$5,000 to \$1,000 and only blinds will be purchased for Council Chambers.
- **#5165 Insurance – Auto, #5163 – Insurance – Equipment, #5162 – Insurance – Fidelity Bond, #5161 Insurance – Tort Liability and #5164 Insurance – Workers Comp** – No Change
- **#5305 – Maintenance Beach** – No Change
- **#5261 Maintenance – Seabrook Island Road** – The line item is to increase from \$30,000 to \$35,000.
- **#5301 Maintenance – Town Hall** – Under this line item, Town Hall carpet replacement (\$20,000) and exterior painting (\$35,000) have been removed and miscellaneous repairs and maintenance for the Town Hall has been increased from \$2,500 to \$5,000. The total remaining in the line item would be \$6,000.
- **#5310 Maintenance – Vehicles** – No Change
- **#6201 Memberships, Dues & Subscriptions** – Charleston County Permitting System has been deleted (\$2,500) leaving a total of \$17,400.
- **#5361 Office Materials & Supplies** – The expenditure for Promotional Items (\$1,500) is being deleted and Christmas Decorations is being decreased from \$2,500 to \$1,000 leaving a total of \$6,800 in that line item.
- **#5365 Planning & Zoning** – No Change
- **#5363 Postage** – This line item has been increased from \$6,000 to \$6,700 to allow for Business License Postage.
- **#5020 Pre-Employment Expenses** – The line item was reduced from \$2,000 to \$500.
- **#5366 Printing & Scanning Services** – This line item has been increased from \$6,000 to \$8,500 to allow for Business License Printing for the mailout.
- **#5202 Professional Services – Accounting** – No Change
- **#5201 Professional Services – Auditor** – The new audit firm had not been selected when Council was working on the original budget and the cost was anticipated to be \$20,000 but the actual cost is \$15,000 reducing the line item by \$5,000.
- **#5203 Professional Services – Engineering** – No Change
- **#5204 Professional Services – Legal** – No Change

- **#5209 Professional Services – Other** – No Change
- **#6261 Special Events** – Miscellaneous Events has been decreased from \$2,000 to \$1,000 and the total of the line item remaining would be \$8,500.
- **#6404 State Court Assessments** – No Change
- **#5405 Telecommunications** – No Change
- **#6285 Travel & Training** – Travel and Training for Town employees and Council has been cut by \$5,000 and the line item total would be \$6,500.
- **#5380 Uniforms** – Shirts for Town staff has been increased by \$150 due to hiring a new Code Enforcement Officer and shirts for Town Council has been decreased by \$250. The total of the line item would be \$1,650.
- **#5401 Utilities** – No Change
- **#6403 Victim’s Advocate Assessment** – No Change
- **#6402 Victim’s Advocate Surcharge** – No Change
- **#6216 Website** – No Change

The Town Administrator stated that, if all the suggested cuts were made, the General Fund budget would be in balance without using any General Fund reserves. If the 2020 budget is amended, it would require that an ordinance be adopted, have two readings and a Public Hearing. There were no questions or comments from Council.

Restricted Funds:

State Accommodations Tax – The Town Administrator stated that previously \$143,400 total had been budgeted for State Accommodations Tax and he has decreased the amount to \$76,400 due to the prohibition of short-term rentals for a period of six-weeks and possible reduction in travel. In the current 2020 budget, we were spending \$29,100 out of State Accommodation Tax reserves and, in the proposed amended 2020 budget, we would be spending \$58,350 from reserves.

In the expenditures for State Accommodations Tax, Kick It at Bohicket (\$17,000) has been cancelled and the Alan Fleming Tennis Tournament has been reduced from \$17,000 to \$12,500. The amount designated for Beach Patrol has been increased from \$40,000 to \$60,000. The July fireworks has been cancelled but the Town had already paid \$8,250 as a deposit. The deposit will be held by the contractor to apply to the fireworks in 2021, and the Town will only incur a 15% penalty for changing the date. The Town has already paid for the Charleston Area Convention & Visitor’s Bureau ad (\$10,000) and the Dolphin Education Program contract (\$10,000) has been signed and the program has begun. The 30% amount of State Accommodations Tax, Account #8002, is estimated to be \$24,000 and that is remitted to the Charleston Area Convention & Visitor’s Bureau as State Accommodations Tax checks are received.

Charleston County Accommodations Tax – In our original 2020 budget, \$50,000 was budgeted to be received in County Accommodations Tax but the Town has been notified by Charleston County that they are not making any distributions to municipalities this year or the first half of the next calendar year. Originally, the 2020 budget used \$50,000 in current revenue and \$10,000 from reserves in that account. The Town Administrator stated that, since there will be no current County Accommodations Tax revenue, he recommends using \$15,000 for Beach Patrol taken from County Accommodations Tax reserves.

Alcohol Tax:

The budgeted revenue for Alcohol Tax has been reduced from \$5,000 to \$3,000 since two restaurants at Bohicket Marina have closed. No change has been recommended to the expenditures (\$10,000) and the balance will be taken from reserves in that account.

Designated Funds:

Emergency Fund – The Emergency Fund has \$2,000,000 set aside and has no budgeted expenditures, although the Town has paid a few COVID-19 related expenses from the Fund this year. Hurricane related expenditures are also paid from the Emergency Fund and any money received from FEMA and the State for reimbursement of hurricane related expenses are deposited to that account.

Road & Drainage Fund – Council put \$500,000 into the Road & Drainage Fund and we had budgeted \$200,000 to do drainage projects. The Town Administrator recommended that Council cut or delay one of the projects, leaving \$100,000 but adding in \$70,000 for the work done on the pathway earlier this year, making total expenditures \$170,000. At the end of the year, we should still have about \$330,000 left in that Fund for future projects.

Town Facilities Fund – The only project budgeted for this Fund (\$250,000) was for construction of a garage for the Town’s vehicles. Since a delay is being recommended for the drainage project in the Town Hall area, the Town Administrator also recommended postponing construction of the garage and allowing the balance to stay in the fund for future use.

Vehicle Replacement Fund – There is no change to this Fund as no vehicle purchase is planned.

Mayor Gregg stated he would like to have first reading on an ordinance to revise the 2020 budget at the June Town Council meeting; but, if Council had any questions, they could address them with an email to the Town Administrator.

Councilwoman Finke stated that she thinks the Town Administrator should be rewarded for the extra work he had done on the budget and the extra work he had done during the Pandemic. The Town Administrator replied that he did not expect a reward but a “thank you” was good enough for him.

There being no further business to discuss, the meeting adjourned at 2:22 p.m.

Date: June 23, 2020



Town Clerk