

# Town Council Pre-Budget Workshop

August 6, 2025 @ 9:00 AM

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Seabrook Island Town Hall, Council Chambers  
2001 Seabrook Island Road  
Seabrook Island, SC 29455



## MINUTES

### CALL TO ORDER

Mayor Kleinman called the meeting to order at 9:03 am.

### ROLL CALL

**Councilmembers Present:** Mayor Bruce Kleinman, Councilmembers Dan Kortvelesy, Darryl May, Gordon Weis, and Raymond Hamilton.

**Town Staff Present:** Joe Cronin (Town Administrator) and Peter Wiggins (Clerk/Treasurer).

### FOIA STATEMENT

The Clerk/Treasurer confirmed that the meeting was advertised in compliance with the requirements of the South Carolina Freedom of Information Act. Agendas were posted and furnished to news media and all others requesting notification.

### PRESENTATIONS

#### **FY2024 Audit**

Kellan Shuford of Mauldin & Jenkins presented the firm's audit of the Town of Seabrook Island's financial statements for the fiscal year ending December 31, 2024.

Mr. Shuford stated his firm was issuing a clean opinion of the town's prepared financial statements for FY 2024, which is the highest level of assurance Mauldin & Jenkins can give. He further stated from a compliance perspective, his firm found no material weaknesses or deficiencies on the part of the town.

Councilman Hamilton asked if he could receive a copy of any adjustments that were made to the financial statements.

Mr. Shuford stated the only adjustment that was made was an accrual of a 4<sup>th</sup>-quarter State Aid to Subdivisions payment made to the town of approximately \$13,000.

Councilman Hamilton asked if Mauldin & Jenkins had been auditing the town's liabilities related to sick and vacation leave unused by staff.

Mr. Shuford stated the new standard to which Councilman Hamilton was referring, requires the town to reflect the unused leave as a liability. He stated that in the past, that liability was not materially important. He stated the town will reflect that as a liability moving forward and will be audited by Mauldin & Jenkins in future audits.

Councilman Hamilton questioned the amount of capital expenditures of \$1.9 million in FY 2024.

Mr. Shuford stated the wording in the audit should be tweaked. He stated the \$1.9 million was the total value of capital assets owned by the town. He stated capital investments in FY 2024 totaled approximately \$226,000.

Councilman Hamilton asked how the Subscription Based Information Technology Arrangements (SBITA) were being amortized.

Mr. Shuford stated the total was being amortized based on the length of the contract. He stated the only SBITA the town has is with their licensing and permitting software provider. He stated the term of the contract is two years.

Mr. Cronin stated he wanted to make a clear distinction between the balance in the general fund and the various restricted funds. He stated that as the council moves through the budget for FY 2026, balances referred to in the audit presentation may differ from what is presented as part of budget discussions.

Mayor Kleinman asked how the town's liability to the state pension fund is calculated.

Mr. Shuford stated this number comes directly from the Public Employee Benefit Authority (PEBA). He stated this number is calculated based on a percentage of what the town is paying PEBA.

Mayor Kleinman asked what would have to happen for the town to make good on that liability.

Mr. Shuford stated, "probably nothing". He stated this number was first calculated in 2015.

## **ITEMS FOR INFORMATION/DISCUSSION**

### **Budget Calendar**

Mr. Cronin stated that public hearings related to the budget will be advertised before the end of November. He stated first reading is scheduled for the November 18 council meeting, with second reading scheduled for December 16.

**Review of Fund Balances**

Mr. Cronin presented current and projected fund balances for FY 2024 and FY 2025. He stated that he is projecting that for all funds combined, at the end of FY 2025, the combined fund balance will be approximately \$12,000,000.

Councilman Hamilton asked if there was a fund that had a time restriction on spending funds.

Mr. Cronin stated that state accommodations tax funds need to be spent within two years of the town receiving funds.

**Initial Revenue Projections for FY2026**

Mr. Cronin provided an initial revenue projection for FY 2026.

Councilman May asked if Mr. Cronin had a projection for revenues for FY 2025.

Mr. Cronin stated he didn't have an exact number but stated that he was confident that actual revenue will exceed budgeted revenue.

**FY2026 Budget Priorities**

Mr. Cronin presented items that will have an impact on the FY 2026 budget.

Following a discussion related to the town providing its own building permitting and inspection services, Mayor Kleinman reminded the council that everyone on council has heard that the level of service that Charleston County Building Inspections is able to provide Seabrookers is not adequate. He stated that the decision to bring inspections in-house should not be based solely on the town saving residents money, but a larger factor of the town being able to provide a much greater level of service.

Councilman May stated that even if the service was adequate, contractors must travel to North Charleston to obtain permits, and in the end, someone pays for that one hour each way to North Charleston. He went on to state that the council should look into contracting with a third party to provide building inspection services.

Councilman Kortvelesy stated that the wait times that contractors experience are a mixture of different factors and that this issue requires more conversation.

Councilman Hamilton asked if the town could contract with the Town of Kiawah Island for building inspection services considering they already provide those services to their town. He went on to state that if the town could bring these services in house the town could increase the level of service and provide for a more convenient process.

Mr. Cronin reminded the council that there is not a right or wrong way to approach bringing this service in house, but rather there is a bigger policy decision to be made, and that policy question is, does the town want to take building inspections over from Charleston County.

Mayor Kleinman asked Mr. Cronin if it was feasible to incorporate the initial costs of bringing this service in-house in the mayor's draft FY 2026 budget.

Mr. Cronin stated that the position of Building Official could be advertised now, task them with setting up an inspections department, and start operations in 2026.

Mayor Kleinman stated that it would be best not to spend too much time on the building inspections issue. He stated that as Mr. Cronin moves through the rest of the budget, the council may incur significant expenses as part of the FY 2026 budget. He stated the council may be forced to prioritize several different items in the coming budget year.

Councilman Kortvelesy asked if a new Public Safety Director would replace the town's current public safety consultant.

Mr. Cronin stated a new director would not replace the town's consultant. He stated the town could place Beach Patrol under the new director, as well as the town's code enforcement officers.

Councilman Kortvelesy stated it was his wish that a Public Safety Director would not be over code enforcement, as he doesn't want a Public Safety Director counting garbage cans. He stated it was his opinion that there would be enough for this new director to do. He further asked, because the town is in the middle of a classification and compensation study, when might the council see an estimate for how much the town will need to pay a new Building Inspections and Public Safety Director.

Mr. Cronin stated that he would have an idea on what those salaries would need to be by the first reading of the FY 2026 budget.

Councilman May stated it was difficult for him to get his head around what a new Public Safety Director would do all day. He stated it was his assumption that the rest of staff are pretty busy. He further stated that if this person was not actively engaged in code enforcement, it isn't clear what this person would be doing to keep them busy. He closed by saying if he were asked to prioritize a building inspection or a public safety director, he would have to prioritize a building inspector.

Councilman Kortvelesy stated he hears what Councilman May is saying with regards to a Public Safety Director. However, he stated the town needs someone to identify new debris disposal locations, organize DRC meetings, and generally handle the minutiae to prepare the town for natural disasters.

Moving to other budget priorities, Mr. Cronin reminded the council that 2026 will be a contract year for Beach Patrol. He stated he is including an increase in the contract for beach safety services.

Councilman Hamilton stated that it was up to the bidder to justify any sizeable increases in their bids from one contract period to the next. He stated it would take a lot of justification for a 40% - 50% increase from one contract period to the next. He stated if they couldn't justify it, he would look at other alternatives such as the town using lifeguards.

Councilman May asked from where the 40% number is coming.

Mr. Cronin stated that if the town wants to continue a similar level of service, the town cannot input the same cost into the budget that the town has used for the last five years. Mr. Cronin reminded the council that if the bids come in higher, they can always change the level of service such as shortening the season and shortening or eliminating certain days of the week.

Councilman May asked if there was an escalation clause in the current beach safety contract that would allow the vendor to increase the cost of the contract year-over-year.

Mr. Cronin stated the contract does not have an escalation clause.

Moving on, Mr. Cronin stated there had been no progress on the rewrite of the Comprehensive Emergency Plan. He stated this cost is being carried over to the FY 2026 budget.

He stated the town's contract with their IT provider is at the end of its lifespan. He stated some of the computers currently being used will not be supported after the migration to the new Windows Operating System. He stated staff are working on a new IT contract that will hopefully be in place this year.

Mr. Cronin stated as part of the Marshfront Management Plan, the town had discussed a marshfront critical line survey. He stated he is including the cost of a surveyor in the draft budget.

Mr. Cronin stated that once the new Finance Director is in place, he is going to ask them to look into new budgeting and HR/Payroll

software. He said this cost will also include fleet tracking software and STR compliance monitoring software.

Mr. Cronin stated that capital expenditures that could be included in the draft budget are for new beach rules signage, relocation of Captain Sam's Inlet, Seabrook Island Road improvements, increasing the capacity of town hall, and new vehicle purchases.

Councilman Kortvelesy asked if SIPOA has approached the town about SIPOA not having the funds to complete relocation of the inlet.

Mr. Cronin stated he has had conversations with them about the schedule of relocating the inlet but not related to financing. He stated the town could elect to institute a Beach Preservation Fee that could be used in financing the relocation of the inlet. He stated that potential revenue generated by the fee is not on the draft budget, simply because instituting a new fee would require a referendum.

Councilman Kortvelesy asked if drainage near the Seafields construction site is addressed in the Seabrook Island Road improvements project.

Mr. Cronin stated that drainage will be addressed as part of the project. He further stated that new drainage included as part of the Seafields construction is not complete and will hopefully improve runoff from the site.

Councilman May asked if bids came in above what the town has put aside for the project, what will be the town's options.

Mr. Cronin stated the town could borrow or take funds from other sources. He stated that the town has applied for funding through Charleston County's Transportation Sales Tax program, but their application had not been approved.

Councilman Kortvelesy asked if the pods that are behind town hall is part of the capacity issue. He continued by saying that the pods were unsightly.

Mr. Cronin stated yes, the pods were never meant to be a permanent solution. He stated that the capacity for the town to conduct operations is included in the town hall capacity issue. Mr. Cronin closed by saying the town is beyond, over capacity.

Councilman Hamilton stated that the town has two capital improvement projects scheduled for 2026. Councilman Hamilton asked what committee those projects may fall under.

Mr. Cronin stated those used to fall under the Public Works Committee but stated that committee was discontinued. He stated these projects could fall under an *ad hoc* committee.

Councilman Hamilton stated his priorities are the road project and the town hall capacity issue.

Councilman May stated his priority is bringing the building inspection function in house. He further stated that the town hall capacity issue should be looked at holistically along with the storage issue. He closed by stating he thought it was important for the town to continue with the same level of beach safety service as they have in the past.

Mr. Cronin reminded the council a budget item that had been discussed in the past is contracting with off-duty deputies to increase patrols on Seabrook Island.

Councilman Hamilton stated his preference would be for the draft budget to include the town contracting with an off-duty officer during the busy time of the year. He said this addition could serve as a discussion point, and if necessary, the council could remove the cost before passage.

#### **ADJOURNMENT**

There being no further discussion, Mayor Kleinman declared the meeting adjourned at 11:46 am.

Peter D. Wiggins II, MPA  
Clerk of the Council