

**TOWN OF SEABROOK ISLAND
BUDGET MEETING**

October 12, 2018, at 9:00 a.m.

The Seabrook Island Town Council held a 2019 budget workshop on October 12, 2018, commencing at 9:00 a.m. Mayor Ciancio opened the meeting but asked Town Administrator Cronin to lead the meeting since he had compiled the budget worksheets that were provided to members of Council. Councilmembers Crane, Finke, Gregg and Wells and Town Clerk Allbritton also attended the meeting.

Town Administrator Cronin began by explaining the section in the budget materials called Summary of Line Item Changes. He noted that the items color coded yellow have been renamed; the ones in blue are new line items, and the ones in red have been eliminated. He also explained briefly why the changes are being made. A meeting will be set up with Joey Basha, the Town's accountant, to make sure he is comfortable with the changes.

In the budget section of the budget worksheets, three years of history in the already existing line items is shown as well as the 2018 budget figure and suggested figure for the 2019 budget. The Town Administrator then went through the General Fund Revenues by line item.

- All business license income will be recorded in a single budget account number rather than recording each class of business license in a separate account number. The biggest increase is forecasted for Class 7 because of increased enforcement in rentals.
- A Credit Card Convenience Fee line item has been set up but will be offset by the same amount in Bank Service Charges in the General Fund Expenditure section. The Town does not currently accept credit cards but would like to offer this service at some point in 2019.
- Facility Rentals will be set up for fees derived from Town Hall/property rental.
- A new line item will be set up for Planning & Zoning Fees (\$26,400) and this will include any type of permit related fees. This number is conservative in case the Town decides to make changes in the types of work that require zoning permits.
- Sale of Assets (\$7,000) is being set up to accommodate income from selling Town property. Councilman Wells recommended that the Jeep be towed and repaired if it is to be sold.
- New accounts will be set up for Use of Fund Balance – Road Improvements and Use of Fund Balance – General Fund to appropriate money that is already in the General Fund balance to be used for a specific purpose. Town Administrator Cronin stated that the Town has been taking money from the balance in the General Fund to build up a Road Improvement Fund and there is now more than \$800,000 in that account. The current year budget does not recommend taking any more out of the General Fund to put into that fund but uses the fund balance. After discussion, it was decided to increase Use of Fund Balance – Road Improvements to \$600,000 and Use of Fund Balance – General Fund to \$200,000.

In the General Fund Expenditure part of the budget worksheets:

- Salaries & Benefits – The salary amount and employer deduction amounts (FICA, Medical Insurance and SC Retirement) take into consideration that a part-time position will become a full-time position (37.5 hours per week at \$23 per hour) and code enforcement will work a total of 24 hours per week at \$25 per hour and a 3% cost of living raise for current employees. The Town will also be paying 100% of the individual employee's hospital insurance premium in 2019 rather than giving a higher cost of living raise. The Town's share of the SC retirement cost will be funded at the State's required percentage which will change in July from 14.56% to 15.56%. The Town Administrator suggested that, if code enforcement were working 24 hours per week, that person could ride up and down the beach at least once a day when Beach Patrol is not working. He also suggested that, since Island Beach Services is not increasing their contract for 2019, there will be \$5,000 left in that budget and perhaps beach patrol employees could possibly be used for a few hours per week on Saturdays and Sundays in the months just prior to Memorial Day and after Labor Day. Salaries – Overtime has been added, in the amount of \$500, in case the Administrative Assistant (new position) had to work overtime during business license renewal season.
- #6260 Advertising (\$14,400) will include public notices, paid social media advertising to increase followers on social media and articles in the Seabrooker, which will be increased over 2018 because a Mayor's monthly letter will appear in 2019 in the newspaper.
- #6262 Advertising – Tourism will be eliminated
- #6208 Bank Services Charges (\$1,950) has been increased because the credit card service charges and bank service charges will be included in this line item.
- #6301 Capital Expenditures (\$101,000) includes a replacement for the Chevy Tahoe and, for the Jeep, Town Administrator Cronin suggested a Nissan Frontier, or similar model, storage shelves for the second floor of the Town Hall, outdoor improvements at the Town Hall and new signage for the Town for a total of \$101,000. Town Administrator Cronin reported that he had gotten a bid for custom cabinets, in the amount of \$30,000, for the back of Council Chambers that would be a big help with storage on the first floor of Town Hall. He noted that there is some money left from the capital projects budget for 2018 and thinks it could be worked into the 2018 budget. The Mayor indicated that he would like to get the cabinets done this year. The cabinets would take 6 to 8 weeks and would have to be ordered right away if they are to be completed in time for the Town Hall Christmas party. A question also came up about storage for the new vehicles. Town Administrator Cronin stated that he has gotten an estimate to build a garage in the back of the annex parking lot that would complement the Town Hall and it would cost about \$125,000. Several options rather than a stick-built garage were discussed and it was decided that the Town Administrator would bring in an architect to discuss options. The Mayor suggested \$200,000 be taken from the General Fund and establish a line item for the construction of the garage/storage facility and start the process of getting approvals from the neighboring property. As far as Town vehicles, the Town Administrator suggested going forward that Council should

start a Capital Projects Fund and set aside money in that fund every year so that, when it comes time to replace a vehicle, the money would be in that account.

- #6290 Contingency (formerly called "Other") will include unplanned and unbudgeted expenses. The amount in the account will be adjusted in order to balance the budget as other changes to the budget are made.

- Contracted Services (beach patrol, IT, landscaping, other) – Separate budget account numbers will be established for specific items of contracted service. Services for \$10,000 or more will have a separate line item and smaller contracts will be included in Contracted Services – Other.
 - 6291 Contracted Services – Beach Patrol – This account will be funded with \$30,000 from the General Fund. The remainder of the beach patrol contract will be paid from: \$40,000 from State A-Tax and \$60,000 from County A-Tax.
 - 6215 Contracted Services – IT (\$38,000) will include any costs regarding Desktop, Office 365 and tablets from VC3.
 - NEW # Contracted Services - Landscaping has been increased to \$100,000 and will be put out for bid for 2019. Councilman Wells asked if check valve inspection and maintenance on Seabrook Island Road would be included in the landscaping contract and it was decided that \$7,500 should be added to #5261 Maintenance – Seabrook Island Road for that project. Inspection and cleaning of the stormwater pipes will not need to be done until 2020.
 - NEW # Contracted Services – Other – Atlantic Pest Control, Bass Security, Extra Space Storage, Jan-Pro Commercial Cleaning, Municode, Priority One Waste and Shred 360 will all be included in Contracted Services – Other.

The meeting was adjourned and will pick up at Account #6051 Council & Committee Expense on October 26 at 1:30 p.m.

Date: November 27, 2018



Town Clerk