

**TOWN OF SEABROOK ISLAND
BUDGET WORKSHOP & SPECIAL MEETING**

October 26, 2018, at 1:30 p.m.

A budget workshop and Special Town Council meeting was held on October 26, 2018, at 1:30 p.m. The meeting was properly posted, and the requirements of the SC Freedom of Information Act were met. Mayor Ciancio opened the meeting but asked Town Administrator Cronin to lead the meeting. Councilmembers Crane, Finke, Gregg and Wells and Town Clerk Allbritton also attended the meeting.

Town Administrator Cronin stated that a change order for Triad Engineering & Contracting is included in Council packets. The change order includes installing three tide flex valves, cleaning three tidal trenches, installing two precast tops and two stormwater inlet frames and covers. Bob George, the Town's consultant on the roadway project, has reviewed the change order and finds it acceptable. Councilman Crane made a motion to accept Change Order #1 as presented in the amount of \$99,538. Councilman Wells seconded the motion. Councilman Wells stated that the contract will also include a couple of other items that were added at the last minute – two open-faced inlets in the grass median that will be repaired and the repair of the box – but this work is included in the total cost. The vote to approve the motion was unanimous. Town Administrator Cronin was asked to check with Charleston County to see if they would do the tidal trench cleaning in the future under the Town's intergovernmental agreement with the County.

Councilman Gregg sent a memo on October 24 to the Mayor, Councilmembers, the Town Administrator and the Town Clerk to advise them that the 2018-2019 update to the Charleston Regional Hazard Mitigation Plan had been completed. The update to the Plan can be accessed at the following link: <https://www.charlestoncounty.org/departments/building-inspection-services/hazard-mitigation-plan.php>. A paper copy can also be obtained from Charleston County Building Inspections Services. Councilman Gregg reported that the Town adopted the 5-year update to the Plan by resolution in 2017 but Council must be notified of the yearly update and verify to the County that the notification has been made. Mayor Ciancio asked Town Administrator Cronin to contact the County and let them know that the names – Randy Pierce and Jody Turner – still appear in the Plan and the names should be removed. The Mayor stated that the Town should pursue its own hazard mitigation planning, noting that Kiawah has developed its own hazard mitigation plan that includes an item to increase base flood height within the Town of Kiawah.

Town Administrator Cronin began the budget discussion by stating changes that had been made in the budget spreadsheets resulting from changes in line items at the last budget workshop on October 12:

- Use of Fund Balance – Road Improvements has not changed and is still \$400,000 but Use of Fund Balance – General Fund has been changed to \$600,000. An additional \$200,000

will go to Road Improvements Fund and \$200,000 to Capital Projects – Design and Construction of New Garage at the Town Hall. Total General Fund Revenues changed from \$1,628,775 to \$2,028,775. Capital Expenditures were at \$101,000 but has changed to \$301,000.

- #6290 Contingency changed from \$55,551 to \$55,051 as a result of adding \$500 to Insurance – Worker’s Comp (now \$3,000).
- #6302 Special Projects – Roadway changed from \$400,000 to \$600,000. Expenditures and revenues are now in balance at \$2,028,775.

Council started their budget discussion where they left off at the last budget workshop on October 12th.

- #6051 Council & Committee Expense (\$2,500) – This account will consist of charges for continuing education training for committee and commissions, food and refreshments and miscellaneous expenses.
- #6401 Court Expenses (\$4,200) – This amount previously included only the Judges salary of \$4,200 but it was decided that \$500 should be added for CLE training for the Judge. The Contingency account will decrease by \$500 to keep the budget in balance.
- NEW – Election Expenses (\$2,000) – This account will be used to pay Charleston County for expenses associated with conducting the Town’s elections. Usually, these elections are only held in odd years. If there is a Special Election, the expenses could be paid from the Contingency account (#6290) if necessary.
- #6151 Emergency Communication (\$29,550) – This account has been renamed and will include Charleston County network fees for 800 MHz radios, purchasing four 800 MHz radios, replacing three Ham radios, paying the monthly bill for satellite radios and purchasing miscellaneous communication supplies.
- #6220 Emergency Preparedness (\$35,300) – AirMedCare has been moved from this account to the Memberships, Dues & Subscription account. Items to be charged to this account are Atlantic Business Continuity Services, insurance on the lot to be used to store debris in case of a disaster event, Disaster Awareness Day, Mail Chimp account, Onsolve (Code Red), Hurricane/Flooding Booklets for Printing and Postage and miscellaneous expenses.
- #6235 Equipment Rentals (\$3,500) – The postage meter and copier are leased, and both leases are up for renewal soon. Town Hall employees are currently looking into an updated postage meter and a new copier.
- #6101 Furniture and Equipment (\$16,200) – The following items are included in this line item: a new coffee machine, new rocking chairs for front porch, lobby chairs to replace the couch, draperies/window coverings, art & photography for the walls at Town Hall, replacement of two AED’s and miscellaneous items. Mayor Ciancio questioned the amount for draperies and wallcoverings and it was decided to increase the amount from \$5,000 to \$7,500. The amount for draperies/wallcoverings would also include replacing the skirt for the Council table. This increase would reduce Contingency by \$2,500.
- #5165 – Insurance – Auto (\$3,500) – Insurance costs should be slightly higher than 2018 if the Town purchases two new vehicles.

- #5163 – Insurance – Equipment (\$9,700)– This account will include building contents, business interruption and inland marine (radio and satellite phones).
- #5162 – Insurance – Fidelity Bond (\$600) – Fidelity Bond insurance has been running about the same for years.
- #5161 – Tort Liability (\$7,000) – Tort Liability has been raised slightly from 2018.
- #5164 – Insurance – Worker’s Comp (\$2,500) – Town Administrator Cronin commented that he thought this figure should be raised by \$500, making the total \$3,000 and that Contingency would be reduced by \$500 in accordance with that increase.
- NEW Maintenance – Beach (\$4,200) – This account includes four trash cans, the cost of servicing them and debris/animal removal on the beach.
- #5261 – Maintenance – Seabrook Island Road (\$5,000) – This account includes general road/sidewalk repairs and maintenance. This amount is much less than previous years because landscape maintenance has been moved to a different account. This account will only be for minor repairs. Under the Town’s Intergovernmental Agreement with Charleston County, the County will fix potholes and make other roadway repairs up to \$5,000 annually for no charge to the Town.
- NEW Maintenance – Town Hall (\$50,000) – This account would include exterior painting and repair, replacing front door to Town Hall, Pye Barker Fire & Safety (annual fire safety inspections), parking lot striping and miscellaneous repairs/maintenance.
- NEW Maintenance – Vehicles (\$2,000) – This account would include minor maintenance and repair for old or new vehicles. An evaluation of the Jeep to see how much it would be worth in good running order versus how much it would cost for repairs will come from the 2018 budget.
- #6201 Memberships, Dues & Subscriptions(\$19,500) – This line item consists of a variety of charges for memberships, dues and subscriptions.
- #6290 Miscellaneous Expenses (\$2,000) – This line item includes very small miscellaneous items, where the Contingency account would be larger miscellaneous items. This item and the Contingency account have the same account number and one of the numbers would have to be changed if both are left in the budget.
- #5361 Office Materials & Supplies (\$5,500) – This line item is for charges for Diamond Springs Water and miscellaneous office supplies.
- NEW Planning & Zoning (\$2,250) – This line item consists of charges for recording plats at Charleston County, miscellaneous costs for maps & surveys and miscellaneous costs related to the Comprehensive Plan update.
- #5363 Postage (\$3,000) – This line item contains charges for postage from Pitney Bowes for the postage meter and miscellaneous postage for packages, etc.
- NEW Pre-Employment Expense (\$500) – This line item consists of charges for advertising, background checks, etc. for new employees.
- #5366 Printing & Scanning Services (\$10,000) – This line item includes monthly printing costs for the copier, monthly maintenance contract for printers, miscellaneous printing (business cards, brochures, etc.) and Phase I of scanning and archiving of Town documents.

- #5202 Professional Services – Accounting (\$13,700) – This line item includes monthly accounting fees (Duffy & Basha), monthly payroll fees (ADP) and miscellaneous accounting services.
- #5201 Professional Services – Auditor (\$20,000) – This line item consists of charges for the annual Town audit. The Town auditor will be selected prior to 2019.
- NEW Professional Services – Engineering (\$30,000) – This line item includes the engineering services for ESP Associates, Inc. and any on-call engineering services.
- #5051 Professional Services – Legal (\$45,000) – This line item includes charges for the Town Attorney and on-call legal services.
- NEW Professional Services – Other (\$55,000) – This line item includes a re-write of the Development Standards Ordinance (assuming about 50% takes place in 2019 and the remainder in 2020) and costs associated with the Beach Management Plan 5-year review and update.
- #6261 Special Events (\$8,000) – This line item includes the Town’s Christmas party and miscellaneous events.
- #6302 Special Projects – Roadway (\$400,000) – This line item includes costs relating to the completion of the CIPP culvert lining and replacement/tide gates/etc. along Seabrook Island Road. This will come out of the Special Projects – Roadway fund balance and can be adjusted if necessary. Currently, we are assuming that Triad will be paid \$250,000 in 2019 as carry over for completion of the current contract, \$150,000 for Triad’s Change Order #1 and \$200,000 for miscellaneous road projects which will be determined as a result of the ESP Study.
- #6404 State Court Assessment (\$2,500) – This line item includes State court assessments that are mandated to be collected in association with court fines and passed along to the State.
- #5405 Telecommunications (\$11,350) – This line item includes Comcast (monthly internet service), VC3 Voice Advantage (monthly VOIP telephone service), Verizon (cell phones and surface data plans) and AT&T Mobility/Office at Hand (toll free number).
- #6285 Travel & Training (\$7,250) – This line item includes any travel and training for the Town Administrator, full-time Town employees, Code Enforcement and Town Council.
- NEW Uniforms (\$1,250) – This line item includes shirts with the Town logo for Town staff and Town Council.
- NEW Utilities (\$27,500) – This line item includes the monthly bills for water and electricity and propane for the generator, when needed.
- #6403 Victim’s Advocate Assessment (\$500) – This amount is determined by the amount of court fines and is remitted to the County Treasurer for their Victim’s Advocate Program.
- #6402 Victim’s Advocate Surcharge(\$800) – This amount is also determined by the amount of court fines and is remitted to the County Treasurer for their Victim’s Advocate Program.
- #6216 Website (\$500) – This line item includes \$300 per year for website hosting service and \$200 for miscellaneous website expenses.

- #7002, #7003 and #7005 - Town Administrator Cronin explained that \$155,000 is the projected revenue for State Accommodations Tax, with the first \$25,000, plus 5%, going into the General Fund. The amount of \$39,000 (30% of balance) will go to the Charleston Area Convention & Visitor's Bureau and \$84,500 (65% of balance) will be spent for tourism related projects. In 2018, \$56,000 will be used from the State Accommodations Tax fund balance for tourism as well as the \$84,500. We anticipate that the balance in the State Accommodations Tax account at the end of 2018 will be about \$96,000; and, after using \$56,000 additional from the fund balance that should leave about \$40,000.
- #8501 Tourism Related 65% (\$140,500) - The Town Administrator stated that the Accommodations Tax Advisory Committee has made the following recommendations:
 - Kick-It at Bohicket - \$17,000
 - Bohicket Marina/Fishing Tournaments - \$10,000
 - Bohicket Marine/Parking & Security Patrols - \$5,500
 - Alan Fleming Tennis Tournament - \$10,000
 - Women's Open Golf Tournament - \$18,000

Items that the Town will bring before the Accommodations Tax Advisory Committee are:

- Charleston Regional Visitor's Guide - \$10,000 for a full-page ad
- Lowcountry Marine Mammal Network Program - \$10,000
- Beach Patrol - \$40,000
- July fireworks - \$20,000

If all items are funded in the amounts listed, the total amount needed would be \$140,500 and \$56,000 of the State Accommodations fund balance would have to be used. If all are not funded, the use of fund balance would be reduced. Councilmembers expressed concern over the amount allocated by the Committee for the Women's Open Golf Tournament. The Town Administrator reported that the total budget for the golf tournament was \$75,000 and they requested \$25,000 from the Town. The amount budgeted for event marketing and promotion was \$10,000 and this would be a legitimate Accommodations Tax expense. The majority of Council felt that a \$10,000 donation for advertising was reasonable and it would be specified that the money was to be used for advertising/promotion. It was decided that the parking/security patrols for Bohicket Marina (\$5,500) is a private expense that should not be funded by Accommodations Tax. If these changes are made, the total Accommodations Tax expenditures would be \$127,000 and \$42,500 of the total would be taken from the fund balance.

- #8502 Promotion (30%) (\$39,000) – 30% of A-Tax revenue is sent to the Charleston Area Convention & Visitor's Bureau to advertise and promote the area.
- #8506 County A-Tax Expense (\$80,000) – It is anticipated that the Town will receive \$45,000 in revenue for 2019 County Accommodations Tax and the Town also plans to use \$35,000 from the fund balance. The budget currently assumes that we will use \$60,000 for Beach Patrol and \$20,000 for a Charleston Symphony Orchestra performance.

- #8505 Alcohol Tax Expense (\$10,000) – This revenue comes from Sunday sales of alcohol and is restricted in its use. The Town Administrator explained that capital projects on the beach is one of the mandated uses. The budget recommends that \$10,000 will be used on capital upgrades to beach signage/markers. Of this, \$3,500 of income will be used and \$6,500 from the existing fund balance.

Totals will be changed to reflect agreed upon changes and Council will get an updated copy of the budget at the next budget workshop on November 13th at 1:30 p.m.

The meeting was adjourned at 4:16 p.m.

Date: November 27, 2018



Town Clerk