

**TOWN OF SEABROOK ISLAND
BUDGET MEETING**

November 13, 2018, at 1:30 p.m.

The Seabrook Island Town Council held a 2019 budget workshop on November 13, 2018, at 1:30 p.m. Mayor Ciancio opened the meeting but asked Town Administrator Cronin to lead the meeting. Councilmembers Crane, Gregg and Wells and Town Clerk Allbritton also attended the meeting.

Town Administrator Cronin began by updating members on where the budget discussion left off at the last budget workshop on October 26. As far as restricted revenue and expenditures, Council decided on the following:

State Accommodations Tax:

Estimated revenue for State A-Tax for 2019 is \$155,000. The first \$25,000 will be credited to the General Fund, as required by law. The remaining balance (\$130,000) will be split as follows:

- 5% of the balance (\$6,500) will be credited to the General Fund;
- 30% of the balance (\$39,000) will go to the Charleston Area Convention & Visitor's Bureau for Tourism Promotion;
- 65% of the balance (\$84,500) will be used for Tourism Related Expenditures.

The draft budget also included the use of \$37,500 from the State A-Tax fund balance. These funds will also be used for Tourism Related Expenditures, bringing the total budget for that line item to \$122,000. The total expenditures for Tourism Related Expenditures will include:

- Kick-It at Bohicket - \$17,000
- Alan Fleming Tennis Tournament – \$10,000
- Billfish and Dolphin Slam Fishing Tournaments - \$10,000.
- Women's Open Golf Tournament - \$5,000, which must be spent to advertise and promote the event. At the last meeting, the Mayor had to leave early and Council had questioned the allocation of \$10,000 and, after further discussion, Council decided to lower the amount to \$5,000.
- The Town's request for Convention & Visitor's Bureau full page ad (\$10,000), Fourth of July Celebration (\$20,000), beach patrol (\$40,000) and the dolphin education program (\$10,000) are scheduled to go before the Accommodations Tax Advisory Committee on November 14th.

Charleston County Accommodations Tax:

Estimated revenue for County A-Tax in 2019 is \$45,000. Current funds will be used as well as \$35,000 from the existing fund balance for the following:

- Beach Patrol - \$60,000

- Charleston Symphony Orchestra performance - \$20,000

Alcohol Tax:

The current budget recommends that the Town use \$3,500 of 2019 funds as well as \$6,500 of the fund balance for the following:

- Capital improvement for beach signage and marker upgrades - \$10,000

The earlier version of the draft budget anticipated a \$400,000 carryover for completion of Phases 1 and 2 of the Seabrook Island Road Drainage Improvement Project. Town Administrator Cronin stated that the Town has received an additional bill from Triad for work completed on Phase 1, which will be paid out of the 2018 budget later this week. Therefore, the Use of Fund Balance – Road Improvements could be reduced on the revenue side from \$400,000 to \$200,000. On the expenditure side, the Special Projects – Roadway budget could also be reduced from \$400,000 to \$200,000. Since Council had earlier recommended transferring in an additional \$200,000 from Use of Fund Balance – General Fund on the revenue side to fund additional road projects, the Special Projects – Roadway budget was set at \$400,000. This would include the \$200,000 to complete Phases 1 and 2, as well as \$200,000 for additional roadway improvements. Mayor Ciancio wanted to be sure enough money was budgeted for the ponding problem along Seabrook Island Road. The Mayor recommended adding another \$100,000 from Use of Fund Balance – General Fund, increasing the total use of General Fund reserves from \$400,000 to \$500,000 (\$300,000 for road improvements and \$200,000 for design and construction of a new garage). Special Projects – Roadway was then increased from \$400,000 to \$500,000 to reflect the addition of \$100,000.

Since the last meeting, there have also been minor revisions in the following expenditures:

- NEW # - Contracted Services – Landscaping has been increased from \$100,000 to \$120,000
- #6051 – Council & Committee Expense has been increased from \$2,500 to \$2,900 to add additional money toward continuing education for committee/board members
- #6235 – Equipment Rentals – Ontario Investments, currently \$2,500, would be eliminated if the Town decides to lease the copier from DocuSystems. DocuSystems would be added at a cost of \$5,000 and, in account #5366 – Printing & Scanning Services, Xerox Corporation (\$2,400) would be eliminated since copy charges are included in the lease agreement with DocuSystems.

The meeting recessed at 2:20 p.m. for the Ways & Means Committee meeting. After the Ways & Means Committee meeting, the budget meeting started again at 3:43 p.m.

Mayor Ciancio brought up for discussion the possibility of the Town's participation in the City of Charleston's Dutch Dialogue in the amount of \$60,000. After considerable discussion, it was decided that the Town would not elect to participate.

The Town Administrator noted that the budget now has a \$20,000 deficit, due to adding additional funds to Contracted Services – Landscaping. Council began to go down the General Fund "Chopping Block" items and decided to cut the following:

- #5005-15 – Personnel Expenditures – The hours budgeted for the part-time Code Enforcement Officer will be cut from 24 hours to 16 hours per week – a savings of \$11,195 per year.
- #6260 – Advertising – The Mayor’s monthly column that was to run in the Seabrooker will be cut – a savings of \$3,300.
- #6101 – Furniture & Equipment – The Town will purchase one AED in 2019, rather than two – a savings of \$1,900.
- #5361 – Office Materials & Supplies – Miscellaneous supplies will be cut from \$5,300 to \$4,500 – a savings of \$800.
- #6261 – Special Events – Miscellaneous Events will be cut and, if anything should arise, will be paid from #6290 Contingency – for a savings of \$2,000.
- #5366 – Printing & Scanning Services – Document Scanning & Archiving Services will be eliminated – for a savings of \$5,100.
- #6151 – Emergency Communications – Replacement of 800 mHz Radios will be cut to \$17,500 – for a savings of \$2,500.
- #6101 – Furniture & Equipment – The item Miscellaneous Furniture & Equipment will be cut from \$3,550 to \$2,500 – for a savings of \$1,050.
- #6290 – Miscellaneous Expense – This line item will be eliminated – for a savings of \$2,000.

The Town Administrator noted that the amount of the total cuts from the budget is \$29,845. The deficiency was \$20,000 and the remainder (\$9,845) will be put into the #6920 – Contingency line item. Council also discussed the potential of purchasing a used vehicle (Nissan Frontier or similar) rather than buying two new vehicles in 2019.

Town Administrator Cronin stated that projected revenue for 2019 is \$1,928,775, which includes \$500,000 from the General Fund and \$200,000 from the Road Improvement Fund balance, making revenue collected in 2019 a total of \$1,228,775. Since the budget must be balanced, expenditures will also be \$1,928,775.

The Town Administrator stated that the Turtle Patrol has requested a yearly donation of \$2,000 from the Town to help pay their expenses. Mayor Ciancio responded that Council can not commit to donations in future years and recommended that Council provide \$1,500 from the 2019 budget. The Seabrook Island Birders have also approached Councilmember Finke to see if the Town would pay approximately \$688 so that they can have 4,000 brochures printed. Since they would like to have the brochures as soon as possible, the Seabrook Island Birder donation will be on the agenda for the November Town Council meeting and, if approved, will come out of the 2018 budget.

The meeting adjourned at 5:26 p.m.

Date: December 18, 2018


Town Clerk