

CITY COUNCIL
Public Hearing on FY18 Budget
5:45 p.m., Tuesday, May 23, 2017

A Public Hearing of City Council was held at 5:45 p.m., Tuesday, May 23, 2017 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Kinghorn, Rice and Ward, Mayor ProTem Harrington and Mayor Cronin, Administrator Tucker, Attorney Halversen, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Purpose**

Ordinance 2017-04 – An Ordinance to Raise Revenue and Adopt a Budget for the City of Isle of Palms, South Carolina, for the Fiscal Year Beginning July 1, 2017, and Ending June 30, 2018.

After thanking City Council, the City Treasurer, Department Managers and the General Government staff for their hard work, the Administrator reviewed the structure of the budget document. Each year's budget represents a year's work which was defined as the purpose of the annual budget; all through the budget year, the Administrator, Treasurer and Department Heads are making notes relative to additions, changes, deletions for the next year's budget. The opening section represents the fund balance schedules of all City funds; it shows where the City anticipates ending the current budget year, applies the revenue and expenditures of the coming year plus any reserves the City will include to arrive at a projected end-of-year balance for the coming year. At the end of the document is the City's Ten-year Capital Plan; this is a plan that changes every year; the items included in it are evaluated each year to determine what can be deferred another year, what can be removed because it has become obsolete or what needs to be added. Therefore, this plan becomes the starting point for a future year's budget. Between those sections are the General Fund revenues and expenditures, tourism funds, Capital Projects Fund and the Marina Fund; in addition, schedules depicting which fund will pay for which expense.

General Fund revenues are the basic revenues that come into the City, i.e. property taxes, business license revenue, meter revenue, etc. The tourism revenues are generated as Hospitality Taxes, municipal and state accommodations taxes and Beach Preservations Fees paid by visitors to the island and residents' eating at island restaurants. Marina Fund revenues are the rents paid to the City by the marina tenants.

Key components of the FY18 budget are as follows:

- General Fund expenditures go from ten million three hundred thousand dollars to ten million nine hundred thousand dollars (\$10,300,000 to \$10,900,000) with the following contributors:
 - 4.7% pool for wage increases, i.e. 2.7% COLA and 2.0% merit;
 - \$18,000 subscription expense to transport residents with life threatening emergencies to be helicoptered off the island for only the cost of their medical insurance coverage without any balance billing;
 - \$50,000 increase to employee training as a part of the Employee Development Plan for qualified employees allowing them to be reimbursed for successfully

- completed course work toward a secondary field of study within their work program;
- \$80,000 to outsource some of the IT functions since the City does not have a dedicated IT person but someone who has dual functionality; and
- \$50,000 for a construction consultant to supervise the repairs to City buildings;

For Capital and Special Projects initiatives, the City has a very ambitious budget for FY18 because the City has been saving for several projects for a long time and the time has come to do those projects, plus there are other tasks added. They include the following:

- Phase II Drainage – a \$2.2 million dollar project to provide drainage from 46th to 52nd Avenues;
- Completion of the \$200,000 project at the Public Works site that is currently underway to come into compliance with NPDES regulations;
- The replacement of 6 underground fuel storage tanks at an estimated cost of \$800,000, paid from reserves the City established several years ago;
- Initiating the recommended priority building maintenance and repairs for just under \$1,000,000 that includes \$500,000 for replacing the roof of the Public Safety Building;
- The purchase of new radios primarily for the Police and Fire Departments, paid from reserves generated over multiple years;
- \$193,000 to initiate landscaping improvements to public property as discussed in the City Council's visioning meeting;
- \$565,000 for the construction of the beach access at the public restrooms and the completion of the renovation of the public restroom;
- \$356,000 for the rehabilitation of the bulkhead at the marina;
- An estimated \$232,715 for design and permitting of the marina upland improvements if the City has a successful referendum in November;
- \$2.8 million re-budgeted in City tourism funds going toward an approximately \$15 million beach restoration at the eastern end of the island;
- \$100,000 re-budgeted to replace the City's financial software;
- \$200,000 as a progress payment toward the replacement of the City's ladder fire truck; and
- \$50,000 allocated from the Rec Building Fund toward the design and engineering fees for a fitness space at the Rec Center.

The Mayor added that the budget does not require a tax increase and, as in previous years, will pay off approximately one million dollars (\$1,000,000) in debt. He stated that the budget was supported by prudent activities and the prudent use of fees and permits and, over the past several years, the tourism funds have been very generous to the City.

3. Since no residents chose to comment on the budget, Mayor Cronin closed the Public Hearing at 6:00 p.m.

Respectfully submitted:
Marie Copeland
City Clerk