



**Ways & Means Committee Meeting  
6:00pm, Tuesday, March 16, 2021  
1207 Palm Boulevard, Isle of Palms, SC 29451  
and Virtual Meeting via Zoom call due to COVID-19 Pandemic  
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

**MINUTES**

**1. Call to Order**

Present: Council members Pounds, Streetman, Popson, Bell, Buckhannon, Smith, Moye, Ward, and Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Treasurer Suggs, various City Department heads

**2. Approval of previous meeting's minutes – February 16, 2021**

Council Member Streetman made a motion to approve the minutes and Council Member Bell seconded the motion. The motion passed unanimously.

**3. Citizen's Comments -- none**

**4. Financial Statements – Treasurer Suggs**

Treasurer Suggs reviewed the financial reports with Committee members. She said trends are continuing as expected. General Government revenues are forecasted to exceed expenditures by \$390,000 at the end of FY21. Forecasted parking revenue was decreased due to no paid parking along Palm Boulevard. Rental license are down but beating the budget.

She noted two payroll overages, one in the Fire Department due to overtime expenses needed to cover three long-term absences and one in Public Works when it became necessary to hire a new employee to replace a retiring one before budgeted.

Trends for tourism revenues continue as presented last month. Municipal Accommodations and Beach Preservation fees are exceeding the prior year. She reported that from July to January, the City is 8% ahead of pre-COVID levels in all accommodation taxes.

There is still no indication that the City will ever receive the second payment from Charleston County of the ATAX funds collected and passed through to the City.

Treasurer Suggs reviewed the project worksheets. The Public Safety Building Rehabilitation project remains \$985,000 below budget. The payouts on the Phase III Drainage Project have mostly been related to engineering and design costs from Thomas & Hutton.

5. **Old Business –none**

**Discussion and consideration of recommendation from the Public Works Committee to select Dominion Energy Non-standard Service Fund Projects for FY22**

Administrator Fragoso reviewed the work done by the Public Works Committee in conjunction with Dominion Energy to present the list of three project for consideration in FY22. These projects are paid for in matching amounts by the City and Dominion Energy. Previously, these funds were used for new lighting at Front Beach.

Following approval by City Council, the City would enter into an agreement with Dominion Energy, agreeing to pay 50% of the project costs. Engineering costs would be paid for by the City to provide cost estimates for the projects. Should the City then wish to move forward, the engineering costs would become part of the overall project cost.

Administrator Fragoso said that customarily Dominion Energy only commits to one project at a time, but she will discuss the possibility of completing three projects in FY22.

**MOTION: Mayor Carroll made a motion to approve all three projects. Council Member Bell seconded the motion.**

Council Member Smith said the Public Works Committee picked smaller projects they hoped would be completed around work at the Marina and in the off season.

Council Member Pounds would like to discuss timing concerns further with Dominion Energy, noting that the chances of all three projects being completed in FY22 is low. Further discussion about these projects will be held at the upcoming budget workshops.

**VOTE: The motion passed unanimously.**

6. **New Business**

A. **Report on purchase of a Polaris Ranger Crew XP1000 via grant in the amount of \$19,223.89**

Administrator Fragoso said that a Polaris Ranger Crew XP1000 costing \$19,223.89 was recently purchased with grant money.

B. **Discussion of IOP Revenue Analysis**

Council Member Pounds shared slides showing the split between properties owned by full-time residents, short-term rentals, and those used as second homes. Since 2019, the number of properties owned by full-time residents has increased by 57, short-term rentals have increased by 80, and the number of second homes has decreased by 151. A slide showing the estimated average total annual revenue by property type indicated over 3/4s of City revenues come from short-term rentals and second home properties.

Council Member Pounds said this information was meant to be used as directional and encouraged Council members to consider decisions on how they wish to island to look in the

future. Council Member Smith noted that the slides show how the quality of life for island residents is enhanced by accommodation taxes.

### C. Discussion of Business License Standardization

Administrator Fragoso explained the changes being made by the State to the business license process. “Last year, the General Assembly voted on the Business License Standardization Act, which basically establishes this whole standard, requirements for businesses all over the state, and the effort is to create efficiencies and have a one-stop shop for all businesses.”

The new law goes into effect January 1, 2022. She highlighted the changes the City will have to make regarding business licenses including changing the business license reporting periods, the way business license taxes are figured, the definition of gross income, the application process, and the addition of a payment portal for online payment. Work is being done in conjunction with the Department of Revenue to prevent the City from receiving a windfall during this transition.

She stated that MASC has developed materials that will help municipalities transition to this new process. MASC will be doing the rebalancing for the City. They have also developed a model ordinance that they suggest all municipalities adopt after repealing their former business license ordinances. She believes the process will be more streamlined and easier for business owners once it is in place. It will require a lot of work in the Planning Department who may require additional help through the transition.

Council Member Ward suggested contacting the rental companies since the change in due dates for these fees will affect their cashflow at a time of year when they may not be prepared for such a payment.

### D. Discussion and consideration of July 4<sup>th</sup> Fireworks Show

Council Member Bell reported that the Public Safety Committee discussed this year’s fireworks show, and due to the risk of COVID exposure to City staff, they are recommending the City offer no fireworks display this year.

**MOTION: Council Member Bell made a motion to cancel the City fireworks show this year. Council Member Ward the motion.**

Administrator Fragoso reported that Sullivan’s Island has cancelled their July 4<sup>th</sup> fireworks and will likely have a display on New Year’s Eve. The City of Folly Beach has not yet made an official decision about their fireworks, but they will likely cancel them. She also stated that the City incurs approximately \$10,000 in employee-related costs over and above the \$35,000 budgeted amount for the fireworks show.

Council Member Smith suggested discussing the goals for future fireworks shows, noting that fireworks create a lot of trash in the ocean and on the beach and stresses many animals.

**VOTE: The motion passed unanimously.**

**7. Miscellaneous Business**

The next meeting of the Ways & Means Committee will be the FY22 Budget Workshop on Thursday, March 25, 2021 at 4pm. The regular next meeting of the Ways & Means Committee will be Tuesday, April 20, 2021 at 6pm.

**8. Adjournment**

Council Member Buckhannon made a motion to adjourn and Council Member Streetman seconded the motion. The meeting was adjourned at 7:14pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk