



Special City Council Committee Meeting

11:00am, Wednesday, March 12, 2025

City Hall

Council Chambers

1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to Order

Present: Council members Streetman, Pierce, Anderson, Ward, Bogosian, Miars, Hahn, and Mayor Pounds

Absent: Council Member Carroll

2. Business License Revocation Hearing – 20 20th Avenue

City Clerk DeNeane swore in all those giving testimony. Director Kerr explained to Council that the property at 20 20th Avenue has received 5 founded complaints which triggered the business license revocation hearing.

He said, “The property in question is a four-bedroom house. The City’s maximum number of vehicles is dictated by the number of bedrooms, and for this property specifically it’s four bedrooms, which translates to a maximum number of vehicles of four overnight.”

He outlined the incidents leading to the five founded complaints: 1/10/25 at 11:15pm, the property had five parked vehicles; 1/12/25 at 11pm, the property had 12 parked vehicles; 1/29/25 at 11:59pm, there were six parked vehicles; 1/30/25 at 11pm, the property had six parked vehicles; and 2/7/25 at 11:12pm, the property had six parked vehicles. Incident reports and correspondence between Code Enforcement and the property manager were included in the meeting packet.

Mr. Dane Derbyshire, representing the owner, said they understand the laws and want to comply. They have hired Avant Stay as property manager. He said they were not notified of any issues until the end of January. He pointed out that no incidents have been reported since the last one in February. They would like the opportunity to prove they are taking the necessary measures to correct the problem. They would like to be more involved with the property manager to ensure compliance. The house was a long-term rental until 4 years ago.

Mr. Brian McArdle, in-house counsel for Ferndale Properties, “I know it was presented as easy numbers, quick case. There were five instances, but it’s really just three rental stays that take place over the period of two events on one weekend, two events on one weekday period, and then one event on one separate stay.”

Mr. McArdle does not believe notice was provided in a timely manner so that the issue could have been corrected before the next complaint. He shared a schedule of renters, complaints issued, and notice of complaints given.

Ms. Sarah Quinn, property manager for Avant Stay, detailed the actions she and her team have taken to prevent this from happening in the future. They will no longer promote 20 20th and the adjacent property at 18 20th Avenue together. They have started sending text messages to the renters reminding them of the four-car limit on the property. Cameras are now pointed at the driveway and are monitored by her team every night until 9pm, with additional monitoring by their tech team. No Street Parking signs have been added at the property. Staff drives by all properties at the beginning and end of each day. They remind renters of fines that will be imposed if there are issues. There have been no issues since these measures have been put in place.

Ms. Quinn said this house is the only one with incidents, and all incidents have been called in by one neighbor. She said earlier notice from the Police Department would have helped them correct the problem faster. Signage had been on the property at the time of the incidents, but renters ignored them. She has provided offsite parking options for the larger homes. She suggested they could find a way to block off part of the large driveway at 20 20th Avenue to prevent renters from parking additional cars there.

Ms. Quinn was asked when these corrective measures were put in place. She said, “The camera has always been there. The listing having listed four cars on the listing has always been there. The kind of additional after hours, just watching of the camera is new since we were made aware, and the listing buyout take down is new. And then we have little No Parking signs, that is new as well.”

Mr. Derbyshire noted that they do not own the property next door. He said the owners received notification after the revocation notice was issued.

In rebuttal, Director Kerr said, “Just for a little context, I would say that the City’s policies, and it used to actually be three violations triggered this process, but it has never been contemplated that the City would be handling kind of immediate notice and quite frankly, if we’re there and we see something, that is already a strike. So the problem has happened. We haven’t kept the violation from happening. It’s already happened. It already generates the strike. The damage is kind of done at that point. I would just bring to your attention, I think Mayor you referenced the initial issue that we have on record was January 10. So 10 days into this calendar year, you only have five strikes for 365 days. One happened at 11pm on the 10th. They were given notice; Avant Stay was given notice of that within 48 hours. So Sunday, midday Sunday, an email went to them. They didn’t get it Saturday, but they got notice over the weekend on Sunday, and then that very night, there was a second strike. We find that when managers are aware now that they have two strikes and it’s only 12 days into the calendar year, they only have three strikes for the rest of the year.” Managers tend to become must proactive upon receipt of a second strike.

Ms. Allen said they do speak to police when there is a complaint as well as conversations with the renters. She said the neighbors do have her number and said it is helpful when the neighbors contact her.

Mr. Chris Hagy, 14 20th Avenue, said he is the one who has made all the complaint calls. He said the pool at 20 20th Avenue was put in after Avant Stay took over the property, and the noise coming from the pool keeps his children awake at night. He said he only calls when the noise is excessive. There are at least two parties a month at this property. He shared a statement sent by his elderly neighbor, Donna.

Mr. Hagy is glad to hear the adjacent homes are no longer listed together. He shared the dates of his most recent calls which were related to the number of cars parked at the property. He added that more recently cars started parking behind the home. He would prefer that the home be listed as a 7-day rental to prevent parties.

Chief Cornett said the Police Department's goal is to notify property managers as soon as possible about a violation. He said Avant Stay is not the issue; it's this particular property. He said they notify property managers and it is their responsibility to notify the owner. They found that notifying both simultaneously created friction between the two entities.

3. Executive Session

MOTION: Council Member Miars made a motion to go into Executive Session to receive legal advice. Council Member Hahn seconded the motion. The motion passed unanimously.

City Council entered Executive Session at 12:17pm.

City Council returned from Executive Session at 12:33pm.

MOTION: Council Member Bogosian made a motion to “revoke the short-term rental license for 20 20th Avenue for a period of three months and upon return to the rental that they would continue to have five founded complaints against them” through December 31, 2025. Any new founded complaint will issue another revocation hearing. Council Member Pierce seconded the motion. The motion passed unanimously.

City Council went off record at 12:33pm and returned to session at 12:52pm. Council Member Hahn was not present for the budget discussion.

4. Discussion of FY26 Budget

Council members reviewed the budget assumptions for FY26 including: tourism revenue based on 98% of most recent 12 months for ATAX funds factoring in AirBNB reporting and 95% for Hospitality fund; business license revenues at 94% of most recent 12 months also including AirBNB reporting; Building Permits at 85%, Residential Rental Licenses at 90%, and other revenues at 1-2%.

Council Member Pierce noted that although business licenses and operations seem to be thriving, the revenue figures don't align with this activity. He proposed that business owners should provide documentation to verify their income.

Council Member Bogosian observed that the revenue for the State Accommodations Fund for FY26 is higher than the forecast for FY25. However, the revenue for the Beach Preservation Fund appears lower than the FY25 forecast. Director Hamilton explained that the State ATAX revenues for FY26 include grant revenues from a FEMA reimbursable grant that was not utilized in FY25. Conversely, the Beach Preservation Fund received grant revenue in FY25, but none was budgeted for FY26. She added that the average of the last six years of ATAX funds aligns with the projected budget.

Council Member Pierce pointed to a significant increase in property tax debt service over the next five years. Director Hamilton said that assumption “was made because Council suggested last year that we have debt services for some of the larger projects that were coming up like the fire truck, like the Public Works vehicles, the City Hall renovations.” Council Member Pierce would like to see that pulled out of the budget until a millage increase is approved.

Director Hamilton said normal operating expenses remain mostly flat, but the budget includes a 2.5% increase in expenses. Personnel costs include a 2.5% COLA as well as a 3% merit increase effective 1/1/26. She shared the personnel increases anticipated on the State level as well as in surrounding communities. Personnel costs also account for a new position, the Resilience/Beach Preservation Manager, and a full-year budget for Financial Analysis. Additionally, provisions have been made to increase the vacation buyout from \$1,000 to \$2,000.

Of the two large drainage projects proposed in FY26- drainage improvement on Palm Blvd between 38th and 41st, and Waterway Blvd multi-use path, the City is responsible for \$918,000 of those costs.

Council reviewed the proposed capital expenditures. Council Member Bogosian asked Chief Oliverius to speak to the value of adding a high-water vehicle. Chief Oliverius said there has been flooding in excess of 18” by Fire Station 2. He said this truck will help the department keep up their services during times of flooding as well as assist Public Works in moving equipment. He said such a vehicle is safer for firefighters and patients needing to be moved. Other nearby municipalities have high-water vehicles, and he believes them to be part of best practices.

As there is 12-18 month lead time for such a vehicle, Council Member Ward asked if the cost could be straddled over two fiscal years. Chief Oliverius was amenable to that suggestion. He said they will be training with Mt. Pleasant, who has four such trucks. They will continue to look for grants for the truck and the fire suppression boat. Should the grant for the boat be awarded to the City, they would like to use the money to purchase the boat. He expects to find out about the Port Security grant in the fall.

The purchase of the new rear-end loader was re-budgeted to FY26 as it will not arrive until after the start of the new fiscal year. After multiple years of Public Works truck purchases, Director Pitts suggests the City go to “probably max three side loaders and keep at least two rear loaders, one for the miscellaneous and one for yard debris. If you get behind, you can put them in a packer.” All the new roll out carts are being deployed over a three-year period and will be ready when the first side loader arrives.

Mayor Pounds suggested paying for new rear loader in cash as well as the first side loader, moving any future garbage truck purchases in debt service out to later years, and revisit the plan after looking at interest rates during FY27 budget planning.

Council Member Pierce noted a mathematical discrepancy in the beginning fund balances on the one-page summary of the budget. Director Hamilton will look into the calculation.

Council Member Pierce also expressed concern about the split of the mobilization costs for the upcoming beach renourishment project. Director Kerr said that 50/50 split is because both the City and Wild Dunes need mobilization despite the split of the costs of the sand. Council Member Bogosian said a deeper discussion about Wild Dunes' participation in the beach renourishment is needed.

Council Member Bogosian said a revenue conversation is needed as expenses seem to be outpacing revenues. Mayor Pounds said there are minor changes proposed in FY26; the revenue concerns appear in the later budgets. Council Member Bogosian asked for more benchmarking and details concerning revenues. Council Member Pierce would like to see expenses by category, perhaps in a pie chart, at the next meeting.

Another budget meeting is planned for Wednesday, March 26, 2026 at 1pm.

5. Adjournment

Council Member Ward made a motion to adjourn the meeting, and Council Member Streetman seconded the motion. The meeting was adjourned at 2:03pm.

Respectfully submitted,

Nicole DeNeane
City Clerk