



Special City Council Committee Meeting

1:00pm, Wednesday, March 26, 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, and Mayor Pounds

Absent: Council members Carroll and Hahn

Staff present: Administrator Kerr, Director Hamilton, various department heads

2. Purpose – FY26 Budget

Mayor Pounds asked Director Hamilton to review the changes made to FY26 between draft 1 and draft 2.

Changes to revenues included adjusting the fund balance formula error noted by Council Member Pierce at the first budget workshop; changing the FY25 forecast to update grant revenue for the remaining balance of the Marina public dock and playground equipment now covered by ARPA fund and a portion of the FEMA flood mitigation for Forest Trails; moving \$1.1M in forecasted AirBNB settlement to Beach Preservation Fund, (Director Hamilton emphasized the importance of stopping transfers from the Capital Fund to the Beach Preservation Fund for significant beach nourishment projects planned for the future); and moving grant revenue for Waterway Boulevard from State ATAX to the Capital Fund to simplify grant allocation; adding \$100,000 for the Forest Trail Flood Mitigation grant; and changed the assumption for County Accommodations Tax to 98% of the previous 12 months.

Adjustments to expenditures included updating the debt service, changing the purchase of the Public Works Rear Loader to a cash purchase and removing it from debt service; adjusting the salaries of the Beach Resiliency Manager and Deputy Administrator; moving the Public Dock insurance from the General Fund to the Capital Fund; deferring the purchase of a high-water vehicle to FY27; increasing State ATAX sponsorships from \$50,000 to \$75,000; moving Waterway Boulevard drainage expense previously covered by grant funds from State ATAX to Capital Fund; creating a new Public Marina Dock department in the Capital Fund to cover costs of the public dock insurance, repairs and maintenance, changed FY25 forecast to move cost of new Public Marina Dock to Capital Fund; changed FY25 forecast to remove or transfer costs of the rescue boat, Waterway Boulevard, and playground equipment; changed FY25 forecast to remove resurfacing of the Marina parking lot and greenway (moved to FY26); updated the FY25 forecast for drainage to include \$600,000 for Waterway Boulevard expense not covered by grant revenue in FY25 and annual provisions for drainage contingency; and made changes to transfers from General Fund to the Capital Fund.



Discussion ensued about keeping a placeholder for the requested increase in ATAX sponsorships from \$50,000 to \$75,000 prior to further Council discussion.

Funds related to City Hall renovation have been removed from the budget until Council can further discuss the plans. Monies for repairs and adjustments to City Hall are included in FY26.

Director Hamilton will ensure the City's portion of the funds for the Federal lobbyist are in the budget.

Council Member Pierce would like to see a subtotal of the changes to revenues and expenses as a result of these changes. He also expressed concern that revenues are not keeping pace with increased payroll costs. He would like to see an FTE count by department. He would also like to see department heads push merit increases for those employees with lower salaries.

Council Member Bogosian asked why marina proposed variable lease revenues show a lack of growth. He suggested that the budget might be too conservative given the strong performance of Marina.

Director Hamilton will add in 95% of current year's forecast to those revenues.

Council Member Pierce expressed concern about the cost of current and forecasted quotes of items in the 10-year capital plan. Director Hamilton said that department heads gave her current estimates when she met with them earlier in the year.

Discussion about revenues began with the City's need for an extra \$1 million per year to cover the cost of a proposed large beach renourishment every 8 years. Administrator Kerr reminded City Council that the large-scale renourishments assume no Federal or State assistance and sand being placed at both ends of the island, which historically has not been the case.

Council Member Pierce expressed his desire for validation of revenues for business license holders. Director Hamilton said that the City of Charleston, North Charleston, and Charleston County do not validate. Director Kerr stated the County has offered to conduct spot audits for the Isle of Palms and reminded the council that the business licenses are tightly aligned with construction activity.

Mayor Pounds would like to see the effect of the proposed increases to business licenses, building permits and short-term rental license fees and the inclusion of franchise fees on the FY26 budget. Council Member Pierce would like department heads to see where they could possibly reduce expenses.

3. Adjournment

Council Member Ward made a motion to adjourn the meeting, and Council Member Streetman seconded the motion. The meeting was adjourned at 2:35pm.

Respectfully submitted,

Nicole DeNeane
City Clerk