



Town of Sullivan's Island, South Carolina
Finance Committee
Meeting Minutes
Monday, April 18, 2022

A Finance Committee Meeting of Town Council was held on the above date at 8:00 a.m., all requirements of the Freedom of Information Act having been satisfied.

Present were: Patrick M. O'Neil, Mayor
Scott Millimet, Councilmember (Chair)
Kaye Smith, Councilmember
Gary Visser, Councilmember
Justin Novak, Councilmember

I. Chair Millimet called the meeting to order at 8:02 a.m. and stated the press and public had been notified in accordance with State Law. Staff members present were: Andy Benke, Jason Blanton, and Bridget Welch. There were no members of the public present, with no members of the media present.

II. **Approval of the March 11, 2022 Finance Committee Minutes**

Motion was made by Mayor O'Neil, seconded by Councilmember Justin Novak, to approve the March 11, 2022 Finance Committee Minutes, carried unanimously.

III. **Review FY 2023 General Fund Budget**

Jason Blanton reviewed the FY 2023 general fund budget and stated as of now the expenditures and projected revenues are over nine million dollars and are balanced. He mentioned various aspects of the budget line items, including larger items like vehicles and equipment, which are generally spread out over a few years lease. Vehicles are the most frequently bought item and are normally kept for 6-7 years, sometimes more.

Mr. Blanton mentioned they are unsure of the projected revenue for this fiscal year because the business licensing payments being due were moved from the first of the year to May 1. All other revenue streams are as predicted, with dog permits at \$135,000. Building permits revenue has gone up to nearly (projected) \$700,000. He mentioned they will be allowed to increase the millage in property taxes by at least 7%. Mr. Blanton stated most large amounts have not changed much from the previous year, coming in at \$9.1 million in revenue.

Under the fire department, there were no major purchases or replacements. A new pump truck is a capital project and Mr. Blanton proposed it be paid for through capital reserves and the proceeds from properties sold. There was a COLA 7% in salary and health insurance increased by 18%. Mr. Millimet suggested buying T-bills as an option, which Mr. Blanton said is a possibility.

Under the police department, there was also the 7% increase in CPI. The salaries have been driven up with the shortage of officers. System repairs increased some with the purchase of items such as traffic cameras and the ticket payment system. Insurance across all departments has increased. This year may see the purchase of four police interceptors (vehicles) as part of the regular cycle of vehicle replacement, which will also require replacement and installation costs.

Under the maintenance department, there are no major changes other than a possible replacement of a pickup truck for \$50,000. Beach path maintenance, storm water repair, and resiliency management are being looked at as having as reserve accounts. In the past few years, maintaining the paths has used most of the budget. Most of the paths are on a seven-year replacement cycle. Mr. Blanton mentioned the possibility creating a reserve account to put towards an accredited land management plan.

Under the recreation department, the budget for special events increased by \$20,000 to cover July 4th and Christmas fireworks. The comprehensive plan for Stith Park will be paid for through the capital expenditure as there is currently not a set dollar amount for the cost.

Under the administration department, the budget increased to allow for the hiring of a code enforcement officer. Their main objective will be to enforce the business license codes and possibly reporting building and zoning code violations as well. This position will be moved from the police to the administration department. Other items in administration are in line with past budgets.

Under the building department, the salary wages decreased due to Randy Robinson's retirement and there now being one employee for the building department.

The next Town Council meeting will include the budget by Title only and can be discussed further at Workshop. The third reading needs to be done by the June Council meeting. A public reading will be done at the May Council meeting.

IV. Discussion on Reserve Fund Accounts

Chair Millimet discussed the various options for use of reserve fund accounts including building maintenance, vehicle purchase and maintenance, and boardwalk maintenance. He also suggested adding playground, parks and equipment maintenance and accreted land maintenance and legal funds. Mr. Novak agreed and stated the challenge would be defining the scope of the funds without making it too narrow or too broad.

Mr. Blanton mentioned some examples of where potential overages are in budgets, such as building maintenance. The operating costs of building maintenance may not reach the budget limit for one year, but could potentially go over another year due to large projects like painting or air conditioning unit replacements, which is where reserve funds come in. He suggested having each committee member give suggestions on what they feel would be best for reserve funds and discuss how each of them can be tweaked and/or used at the next Workshop meeting. From there a resolution can be created. Chair Millimet agreed and requested that Ms. Welch highlight specific funds to be discussed at the next Workshop. Mr. Blanton also mentioned the importance of keeping a healthy emergency reserve fund, especially with the various threats that come with living on a barrier island. Mr. Novak requested Mr. Blanton to identify areas in the budget that can provide money for the reserve funds.

V. Consideration of Increasing Fees to Offset Rising Expenses

Mr. Millimet mentioned the need to increase revenue costs to match inflationary pressures and costs in the past few years. One suggestion was dog licenses, since they are at the same pre-pandemic costs. Increasing the cost of business licenses is not an option for two years due to a new state law. Mr. Blanton stated the only areas to increase costs would be where the town has fees. There are other options that can be discussed, such as charging for trash collection, parking, etc. The Island's parking ticket fees are lower than other surrounding beach communities. Chair Millimet requested that Mr. Blanton provide a list of all potential revenue items that can be increased and/or introduced. The past few years have seen unprecedented inflation rises at 7%, so this is not something every Council has had to consider.

Mr. Stith requested an update on purchasing a new fire truck, as the current estimate contract is up soon. This will also be discussed at the next Workshop. Mr. Blanton confirmed there are sufficient reserves to purchase the new fire truck. A resolution needs to be passed by Council and Chair Millimet requested it be added to the agenda as soon as possible.

VI. Adjourn

Motion was made by Mayor O'Neil, seconded by Councilmember Justin Novak, to adjourn the meeting at 9:04 a.m., carried unanimously.

Respectfully submitted,



Bridget Welch