



**Special City Council Meeting
Budget Workshop
4:00pm, Tuesday, March 19, 2024
Council Chambers
1207 Palm Boulevard, Isle of Palms, SC**

MINUTES

1. Call to Order

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

Staff Present: Administrator Fragoso, Director Kerr, Treasurer Hamilton, various City Department heads and staff

2. Purpose – Discussion of the FY25 Budget

Mayor Pounds reviewed the budget assumptions for FY25 including: business licenses at 90% of previous 12-month actual, building permits at 85% of previous 12-month actual, Local Option Sales Tax at 95% of previous 12-month actual, tourism funds at 90% of previous 12-month actual, full staffing except for the Police Department at 95%, 3% merit increase and step-based adjustments as of 1/1/25, 24% increase in insurance costs, 11.8% increase in health insurance costs, a \$2.4 million transfer in from tourism funds, and a transfer of \$1.2 million into the Capital Projects fund at the end of the year assuming a surplus.

The Mayor reviewed a summary of revenues by fund showing FY23 actual, FY24 budget, FY24 forecast, FY25 budget, and the increase and decrease from the current 12 months. He also shared graphs detailing FY25 revenue sources and expenses by percentage.

He then reviewed key budget initiatives by department, including: City Hall renovations, the City's portion of a rescue boat, drainage projects, replacement of playground equipment, resurfacing the City-owned portion of Ocean Boulevard, vehicle replacements, access control systems to the Public Safety Building and Fire Station 2, beach management and monitoring, improvements to the T-dock and public greenspace at the Marina, a mini excavator, and other requests.

Mayor Pounds reviewed budgeted and forecasted fund balances from FY20 actual to forecasted FY29, noting that those balances assume the City pays cash for everything and does not borrow any money. Council briefly discussed the effects of larger beach nourishment projects on the fund balances over time without any additional funding.

The Mayor shared a list of revenue increasing opportunities for Council members to consider including a property tax increase, the establishment of a special tax district regarding beach

nourishment, increases in various City fees including building licenses, permits, and parking fees, franchise fees, and bringing stormwater management inhouse.

He also shared a list of expense reduction opportunities for Council to think about including increasing insurance deductibles to lower premiums, holding discretionary spending until revenues are verified at budgeted levels, re-evaluating the timing and scope of key budget initiatives and projects, and considering issuing debt for large capital expenditures.

Council discussed several of the revenue raising and expense reduction options presented by the Mayor. The next draft of the budget will include the impact of debt financing for projects over \$1 million and modeling out the list of revenue opportunities to see how much they would generate. The Mayor asked the committees to look more closely at the 10-year capital plans for their respective departments prior to the next budget discussion which will be at the City Council Workshop in April.

4. Adjournment

Council Member Ward made a motion to adjourn and Council Member Anderson seconded the motion. The meeting was adjourned at 5:36pm.

Respectfully submitted,

Nicole DeNeane
City Clerk