



**SURFSIDE BEACH BUDGET WORKSHOP MEETING
CIVIC CENTER**

115 US HIGHWAY 17 NORTH, SURFSIDE BEACH, SC 29575

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**TOWN COUNCIL BUDGET WORKSHOP MINUTES
Tuesday, May 5, 2022, at 10:00 AM**

- 1. CALL TO ORDER.** Mayor Hellyer called the meeting to order at 10:00 AM. Mayor Hellyer, Councilmembers Drake, Holder, Kreklau, and Mayor Pro Tempore Keating attended. Others present were Town Administrator Shanahan and Town Clerk Medina. Absent: Councilmembers Kinken, and Stamey.
- 2. BUSINESS – 2022-2023 MUNICIPAL BUDGET** – Mr. Shanahan stated this meeting explains some of the fee changes and questions asked by the Council. There are some new fees that will require a public hearing. Some fees in Planning, Building and Zoning are increasing.

Councilmember Keating asked if the town was going to retain the fishing fees. There is no fee listed, but there is revenue noted in the pier fund of \$70,000 for fishing. What value is this based on and is that a realistic number for ~9 months of the pier being open? Director King stated that this fee was not listed due to the Pier not being open last year. Director King also indicated that she had not considered the time the pier would be open, but used historical information over three months for this revenue estimate.

Director King asked the Council what Council wished to do about the fees for the pier in general, including kiosk fees, to go forward with the public hearing.

Councilmember Kreklau made a recommendation to raise the merchandise prices a few dollars.

Director King spoke about the convenience fee for the use of credit cards. The budget current shows a 3% charge to our customers for use of credit cards. Most towns don't charge an extra convenience fee, they probably roll it into their costs. To increase our fees would cover this cost.

Councilmember Drake recommend that we should raise all our fees to cover the cost of the convenience fee.

Director Adair stated that the building department fees being recommend to be raised are for new construction only, and are based on neighboring municipalities and other international building code fees. Our fees are also based on square footage, not the value estimates of the structures. The convenience fee is mostly applicable to our contractors.

Director King spoke about the American Rescue Act money. This money has certain restrictions on use, and therefore shouldn't be mixed into the general fund. It should be in Capital Project funds. Should this stay in the General fund, it may be used for operational expenses, which is not the intended use. Director King recommended moving the funds to the Capital Fund so as to not inadvertently erode the balance with operational expenses.

Town Administrator Shanahan stated that there is no revenue forecast in this budget for the Ride II settlement. We don't know what we'll get, when we'll get it, or if we'll get it. Once it is resolved and what we received will be included in our funds.

Councilmember Keating asked about the COLA raise and merit plan budgeted values. Director King stated there is a 3% COLA in the budget currently, none for a merit plan. Town Administrator Shanahan stated that we are still looking at the numbers. Director King stated increasing the COLA percentage is big numbers to be added to the general fund, \$300K to do the 8%.

Councilman Drake asked if there is any opportunity to cut cost in the department budgets. Town Administrator Shanahan indicated that we have been operating at barebones throughout COVID.

There was a brief discussion with Director Adair about replacement of the 20+ year old budget truck. Director Adair state that the truck is used 3 – 4 times a week, including use by Public Works, Police, and Fire Department. Recommendations for replacement of vehicle considers the increased costs of maintenance as the vehicle ages. Director King indicated that the purchase of the bucket truck was added back into the budget in Rev 1. Director King also stated at 3 mils annually are set aside for vehicle replacements. Capital replacements is part of the General Fund. Police and Fire capital items usually come out of the Hospitality Fund.

Councilmember Keating asked if, when used equipment is sold, do those funds go back into this fund. Director King stated it does if the funds to purchase that equipment came from that fund. If it came from Hospitality, it goes back to Hospitality fund.

There was a short discussion on revenue from the Pier. Councilmember Drake indicated that \$225K was low considering there will be 4 spaces collected lease revenue. Director King stated that since it is not up and running, it's difficult to determine the income.

Councilmember Keating stated that we know what the Atlantic Restaurant Group will be paying in lease fees, if we assume the other spaces will return a market value, and we add the \$70K in fishing fees – this calculates a value in excess of \$225K. Kiosk revenue may not be realized until the next budget cycle. It is also recommended that the walk on fee be eliminated, as offset by the additional lease spaces, and the kiosk revenue. Kiosks would not be in the fee schedule, since they would be considered leasing town property.

Director King stated that we need to determine which new fees need to be part of a public hearing. This will need to be advertised on Monday to facilitate the approval process of the budget. Councilmember Drake state that he recommends that we raise the fees to allow us to eliminate the convenience fee.

Director King explained how all administrative expenses (healthcare, etc) are rising every year. Not to mention the cost of fuel consumption. Right now we need a balanced budget, we can change it later.

Councilmember Keating stated that we need to take care of our employees. They are our biggest asset, and their salaries are not keeping up with inflation. Director King suggested a bonus instead of merit raise. Councilmember Keating stated that the merit program concept would include an option for either a percentage or fixed amount raise, or a one-time bonus. Whatever it is, it needs to be reflected in the budget, whichever way we decide to go, including the higher COLA. We need a mechanism to allow our employees to increase within their salary bands as a result of good performance.

Councilmember Holder asked if there is any money left in this year's budget that will be left over that we could spend now to reward our employees. Director King stated it's yet to be determined, but likely there should be excess funds in the current budget.

3. **ADJOURNMENT.** Councilmember Keating made a motion to adjourn at 11:01 AM. Councilmember Drake seconded. All voted in favor. **Motion carried.**

Surfside Beach Town Council

Robert Hellyer, Mayor

Cindy Keating, Mayor Pro Tempore

Chris Stamey, Town Council

LaVerne Kreklau, Town Council

Michael Drake, Town Council

William Kinken, Town Council

Paul Holder, Town Council

Attest: _____
Sheri L Medina, Town Clerk

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