



## **Special City Council Committee Meeting**

1:00pm, Wednesday, April 1, 2026

City Hall

Council Chambers

1207 Palm Boulevard, Isle of Palms, SC

### **MINUTES**

#### **1. Call to Order**

Present: Council members Streetman, Pierce, Carroll, Ward, Bogosian, Miars, Miller, Cohen, and Mayor Pounds

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

#### **2. Purpose – Discussion of FY27 Budget**

##### **A. Review Revenue and Expenditure Assumptions**

Administrator Kerr reviewed the new revenue and expenditure assumption included in the second draft of the FY27 budget: an operating millage increased from 17.4 to 20.2 added \$791k.

Council members Pierce and Bogosian said they would like to see a 15% increase in business licenses, building permits, and parking fees instead of a millage increase and its effect on the budget. Council Member Pierce asked there be a line for each item's increase. Council Member Miller also supported the request. Mayor Pounds and Council Member Ward were not in favor of the change.

Council Member Cohen suggested a smaller millage increased paired with smaller increases on licenses, permits, and fees. Administrator Kerr said both will be added to the next draft of the budget, and then Council can decide what to dial back.

Council Member Pierce asked about franchise fees. Director Hamilton will confirm that what they have is what the State will allow.

##### **B. Review of budget changes since last workshop**

Operational changes in this draft of the budget include:

Evergreen study still being evaluated by the Administration Committee

Public Safety incentive program cost added \$226,446

Two officers were already included fully loaded at \$224,995

Police Department overtime savings \$28,120

Resilience Officer removed \$103,905

The Drainage Project for 38<sup>th</sup> & 41<sup>st</sup> avenues was split into three phases at approximately \$2 million each year. The City's federal lobbyist believes they can secure funding for the first phase. Offsetting grant revenues were also added into the budget. The project will not be performed until funding is secured.

The funding source for the Fire Department Ladder Truck was changed from debt service to cash with a grant to offset the cost. Corresponding debt payment of \$312,000 was removed from Capital and Hospitality funds and \$163,000 was added for the sale of the current ladder truck. After a brief discussion, the truck will be changed back to debt service in the next draft of the budget.

The Public Works Department has requested that the side loader be purchased to run parallel with phasing in of the garbage carts, adding \$215,000 to the budget.

The Recreation Department deferred the picnic shelter to FY28.

Council Member Pierce asked that the \$60,000 marked for AV equipment upgrade in the Recreation Center be marked for Council Chambers' AV concerns. Administrator Kerr said they could do that, but noted that staff has been told that a new operating system in Council Chambers will not solve all the problems. Mayor Pounds suggested AV upgrades for both locations since Council wishes to host more Town Hall meetings.

Administrator Kerr noted that this draft of the budget still includes the "old" numbers for the beach renourishment project. Director Hamilton said there is \$75,000 in FY26 for sandbag removal and \$75,000 in FY27 for vegetation. Administrator Kerr said the State holds 100% of the money for the sandbag removal.

### **C. Discussion of consideration of decisions needed by Council**

Council Member Pierce said the Administration Committee will provide detailed recommendations regarding the wage & compensation study and incentives coming out of their April 6 meeting.

The side loader will remain in the budget. The next draft will also include a millage increase and 15% in permits, fees, and licenses.

Discussion ensued about the marina parking lot and how it should be reflected in the budget. Mayor Pounds suggested capping the amount of rent overage forgiveness at \$500,000. Administrator Kerr added that the Public Services & Facilities Committee will be discussing the design proposal from the engineer and the lease agreement amendments at their April 6 meeting. He said it could take a couple of months to solidify plans and costs.

Administrator Kerr said he will speak with ATM about the necessity of the bulkhead recoating and an updated price estimate.

Discussion ensued about large deficits and revenue increases appearing in the out years of the budget. Council Member Pierce would like some clarity on both of these. He would also like a schedule of grant revenues.

Discussion ensued about transfers to the marina enterprise fund. Council Member Cohen asked why there needs to be continued large transfers into that fund. Director Hamilton said transfers can be stopped if that is the will of Council. She added, "Because it is a public use dock and this is considered an enterprise fund where it just manages whatever money goes into that account, the expenses kind of manage itself. There are no other contributions from any other account. And so, the marina since it is

publicly used, there should be some kind of contribution from funds.” Council Member Cohen suggested reducing the transfers into the account.

Council Member Cohen asked what else could be done to increase savings for a future renourishment project. Mayor Pounds noted that once money is added to the Beach Preservation Fund its use becomes restricted. Administrator Kerr said he will research how and where the City could put money to save for a future renourishment project that does not restrict the funds. He added that one of the priorities of the Beach Preservation Committee is to find funding sources for future nourishment projects.

Council Member Pierce asked for staff to research what other municipalities are doing with the return of Local Option Sales Tax monies.

### **3. Adjournment**

Council Member Ward made a motion to adjourn the meeting, and Council Member Streetman seconded the motion. The meeting was adjourned at 2:08pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk