



**WAYS & MEANS COMMITTEE MEETING
5:00pm, Tuesday, April 14, 2026
City Hall Council Chambers
1207 Palm Boulevard, Isle of Palms, SC**

MINUTES

1. Call to Order

Present: Council members Streetman, Miller (via Zoom), Bogosian, Ward, Carroll, Pierce, Miars, Cohen

Absent: Mayor Pounds

Staff Present: Administrator Kerr, Deputy Administrator Kuester, various department heads

2. Citizens' Comments -- none

3. Special Presentations – Joe Owens, Partner, Burr & Forman, regarding potential BCM pilot program

Mr. Joe Owens and Mr. Steven Traynum gave a presentation about a potential sandbag project for the north end of the island as a “beneficial alternative to other emergency measures” that are currently used in the erosional hotspots.

They explained the potential impacts of such a program and how something similar has been done in DeBordieu. An additional 500-1000 sandbags would be installed to repair the revetment in Beachwood East. Mr. Owens said he has received feedback from property owners in that area that they do not want the sandbags removed.

MOTION: Council Member Streetman made a motion to reorder the agenda to allow for the discussion and consideration of the program at this point in the meeting. Council Member Miars seconded the motion. The motion passed unanimously.

4. New Business – discussion and consideration of BCM Pilot Program

Council members asked numerous clarifying questions about the program.

Council members expressed concern about the timing of this information as well as the implementation of the project right at the start of the renourishment project. Many of them felt this would have been a worthy project to consider had they been approached earlier.

Administrator Kerr said there were two paths for Council to consider: It is too last minute to consider in an already complex situation with the upcoming renourishment project. Or they could investigate the value of the rebolstering and reconstituting of the sandbags in that area, which would require more information be pulled together.

Council Member Pierce said that he agreed with Administrator Kerr's analysis of the situation and believes the timing is not compatible with the current renourishment schedule.

MOTION: Council Member Pierce made a motion to discontinue further efforts on this project. Council Member Miars seconded the motion. A vote was taken as follows:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen

Nays: Carroll, Streetman, Ward

The motion passed 5-3.

5. Election of Chair and Vice Chair

Council Member Streetman nominated Mayor Pounds as Chair of the Ways & Means Committee. Council Member Carroll seconded the nomination.

Council Member Miars nominated John Bogosian as Chair of the Ways & Means Committee. Council Member Pierce seconded the nomination. There being no other nominations, a vote was taken as follows:

For Mayor Pounds as Chair of the Ways & Means Committee:

Ayes: Carroll, Streetman, Ward

Nays: Bogosian, Miller, Pierce, Miars, Cohen

For Council Member Bogosian as Chair of the Ways & Means Committee:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen

Nays: Carroll, Streetman Ward

Council Member Bogosian was elected Chair of the Ways & Means Committee.

Council Member Miars nominated Council Member Pierce as Vice Chair of the Ways & Means Committee. Council Member Cohen seconded the nomination.

Council Member Streetman nominated Council Member Ward as Vice Chair of the Ways & Means Committee. Council Member Carroll seconded the motion. A vote was taken as follows for Council Member Pierce as Vice Chair of the Ways & Means Committee:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen

Nays: Carroll, Streetman, Ward

Council Member Pierce was elected as Vice Chair of the Ways & Means Committee.

6. Dashboard of City Operations and Short-Term Rental Report

Administrator Kerr said a new HR Officer will start on May 11. There are 2 vacancies in the Police Department, 2 in the Fire Department, 1 in Recreation, and 1 in Public Works.

Council Member Carroll asked for some clarification on the STR report. Director Hamilton will review the matter and follow up with her outside of the meeting.

7. Departmental Reports

The Committee discussed how and where they would like to see these reports in the future. Departmental Reports will be on respective Committee meeting agendas and included in the City Council meeting packet. The Dashboard of City Operations be included in the City Council meeting packet. The Short-Term Rental report will be on the Ways & Means Committee agenda.

8. Financial Review

a. March Financial Statements and project worksheets

Director Hamilton said year-to-date revenues are \$20.3 million, which is 62% of the budget. She is forecasting that the City will end the year at \$37.3 million, which is about 14% above budget for total revenue. Total expenses are at \$18.9 million to a budget of \$30 million or 63% of the budget. She projects total expenditures of \$35 million, which is 16% over budget. Overages are mostly related to beach and drainage projects.

She noted that while Municipal and State ATAX funds are trending higher, hospitality taxes are lagging. Property taxes and the Local Option Sales Tax (LOST) are returning higher than budgeted as are franchise fees. The County ATAX pass-through is projected to be 11% higher than last year. Business licenses are in their renewal phase now. She will have better projections for that in May.

She continued to share those places/departments in the FY26 budget that are trending higher or lower than budgeted.

She said the City has a strong cash balance that is 15% higher than this time last year. The City has earned \$1.6 million in interest year to date.

She referenced page 30 in the meeting packet regarding estimated fund balances and high impact projects over the next 3 years. This sheet does not show any revenue. She will continue to develop the schedule as incomes and forecasts are added.

b. FY27 Budget Plan Draft 3

Administrator Kerr reviewed the changes made to the budget since Draft 2 and their impacts on the budget. He said the City is taking the maximum allowable amount on all franchise fees. The existing rates for short-term rental licenses are significantly higher than other business license fees. He reminded Council that such fee increases need to be approved via ordinance, requiring two readings.

Council Member Pierce said, “I would be curious what would the hotels look like if they were aligned, what revenue impact would we gain or what would the change be if we had the hotels align with the short-term rentals.”

Director Hamilton reviewed the changes to the Operating and Capital Projects fund including updated recommendations related to the Evergreen Wage & Compensation study, adding \$60,000 for AV updates to Council Chambers, 50% of the cost for the Public Safety drone (\$40,500 added), changing the \$2.5 million for the Fire Department Ladder truck from cash to debt service with the corresponding debt service millage of \$300,000 and added \$312,000 of debt service to the General Fund for the truck, changing the 11-year-old Public Works loader (\$220,000) back to a side loader (\$435,000) to run parallel with phasing in the garbage carts which added in \$215,000, and updating the bid for the beach renourishment resulting in a decrease of \$5.2 million.

She said City Council also needs to provide direction regarding their participation in the expansion of the Beach Reach Shuttle services. An additional \$8,000 has been included in this draft of the budget.

The potential sand retention methods are in the budget as debt.

Director Hamilton shared that an additional \$377,000, not currently reflected in Draft 3 of FY27, could be realized if the City were to only return 71% of the LOST to residents. Council Member Pierce said he would like to consider this as a balance against a millage increase.

Referencing the Council Summary page at the start of the budget in the meeting packet, Director Hamilton said revenues for FY27 are currently budgeted for \$37.2 million and expenses are at \$41 million. She said “A lot of the core expenses for this budget is actually the beach project. That is the biggest, the largest expense for this year 27 as well as the two drainage projects, one being Waterway at \$1.6 and then the other being 38th and Palm at \$2 million.” She reminded Council that the drainage costs will zero out if grants are received and that the work will not be undertaken unless grants are received.

She said, “We are projecting the fund balance to end at \$50.8 million for FY26 [27]. But remember, there is a lot of stuff baked in here, a lot of revenue baked in here from property taxes, revenue baked in from the increased fees.”

c. Discussion and consideration of budget decisions needed from budget plan / Discussion of ordinances to adopt budget, to increase business license/STR license, building permit rates, and parking fees

The Committee then reviewed those decisions that need to be made by Council to clarify the next draft of the FY27 budget. Administrator Kerr said Draft #3 includes slightly more than \$1 million for increases based on the Evergreen study. However, the Administration Committee made recommendations totaling \$870,789.

Council Member Ward asked about pay percentiles. Administrator Kerr and Director Hamilton said there is a different percentile for each grade, but the lowest tiers start in the 80th percentile.

Council Member Streetman expressed concern that the proposed changes will not do enough to keep the City competitive. He spoke in favor of the incentive program and questioned the changes made to the organizational chart. He did not believe the process used to make these recommendations was transparent. Council Member Carroll noted that recruitment and retention are concerns nationwide, adding that the Evergreen data is already dated. She would like the City's pay ranges to stay in the 80-90th percentiles and to take politics out of the decisions going forward. Council Member Cohen said the data shows the City is very competitive. Council Member Ward said he would not support the recommendation.

MOTION: Council Member Pierce made a motion to implement a Base Pay Market Adjustment for the IOP First Responders, General and Administrative employees with the following parameters and pay ranges for each position, as reflected in the most recently reviewed Solution file "IOP 041326 w/legacyEmplUpdatesPS":

- **Adjust Fire starting pay to \$54,000 and Police starting pay to \$60,000. These increases will flow through all the respective steps of both pay structures. The base pay budget increase for this adjustment will be \$315,000. This budget includes existing Public Safety employee relevant work experience adjustments.**
- **Adjust the starting pay for General employee categories to \$41,600 and adjust the starting pay for Administrative employees to \$82,700. These increases will flow through the respective grades of both pay structures. The base pay budget increase for this adjustment will be \$176,000 using the discounted range penetration adjustment.**
- **Adjust the Police Chief base pay to parity with the Fire Chief.**
- **Include four organizational job classification changes to increase Deputy Police/Fire Chiefs, the Short-Term Rental Coordinator, Business License Representative and Stormwater/Facilities Foreman positions to new grades.**

Council Member Miller said it will take time to get to where Council members Streetman and Ward want to be. She said management, culture, and the pay structure need to be balanced. She believes the Administration Committee recommendations are a step in the right direction.

Council Member Carroll would like the base pay for paramedics to be competitive and implement a system to keep up with appropriate pay increases.

VOTE: A vote was taken as follows:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen

Nays: Carroll, Streetman, Ward

The motion passed 5-3.

MOTION: Council Member Pierce made a motion to implement an Incentive Program for both the Police and Fire departments, created by their leadership, and to be implemented and monitored during the coming fiscal year. These plans will be fine-tuned by the Public Safety committee and leadership. This will be an incremental pay program to

the Base Pay adjustment and the budget for the base pay increases associated with these incentive plans will be \$150,000. Council Member Streetman seconded the motion. The motion passed unanimously.

Council Member Pierce noted that there may be additional changes to the Fire Department's incentive plan.

MOTION: Council Member Pierce made a motion to increase job pay grades/scales annually, at the beginning of each fiscal year, based on a Bureau of Labor Statistics published and recognized CPI metric – CPI-U-South – and that the metric be used also for budgeting increases in the annual budgeting process, with maximum of 4% and minimum 1% limits, starting with fiscal year 2028. Council Member Miars seconded the motion.

Administrator Kerr noted this was not on the agenda to be voted on. Director Kerr said a cost-of-living adjustment and merit increases are already in the FY27 budget. This new motion is for FY28.

VOTE: A vote was taken as follows:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen, Carroll, Streetman

Nays: Ward

The motion passed 7-1.

MOTION: Council Member Pierce made a motion to recognize up to one half (1/2) of relevant work experience of new hires and to give discretion to place new hires accordingly up to a maximum of midpoint within a pay grade and scale. Council Member Miars seconded the motion. A vote was taken as follows:

Ayes: Bogosian, Miller, Pierce, Miars, Cohen, Carroll, Streetman

Nays: Ward

The motion passed 7-1.

Related to a millage increase, Director Hamilton said there is a 2.77 millage increase in operating and 0.93 for the fire truck debt built into this draft of the budget. Discussion ensued about the need for ordinances to increase fees and how best to time their passage along with the passage of the FY27 budget. Committee members generally agreed to holding First Reading of the budget in May followed by the Public Hearing and Second Reading in June. Administrator Kerr cautioned the Committee that Council needs to be "aligned" on the budget so that it is passed at Second Reading, which would be just a few days from the start of the new fiscal year.

Committee members agreed they need an additional review of the budget prior to voting on a millage increase to include in the budget. Council Member Cohen suggested a smaller millage increase and including the LOST funds.

Council Member Pierce said the trend of expenses needs further study. Director Hamilton will review expenses and make sure increases are based on CPI as well as trends. The next draft of

the budget will include the current millage rate and the current increases for business licenses. The LOST will stay out of the next draft until the Committee has a chance to review the changes.

The expense for the refurbishment of the Marina parking lot will stay in the FY27 budget as will the projected rent overages from the restaurant.

Administrator Kerr said that ATM has confirmed the bulkhead will not need recoating until 2031. The \$450,000 expense will be removed from FY27.

Council Member Cohen again asked about the transfers into the Marina Enterprise Fund. He said he will speak to Director Hamilton about it directly.

9. Procurement

Administrator Kerr said the emergency expenses related to City Hall repairs are nearly done. The crosswalks and the change orders will be voted on at the City Council meeting.

10. Capital Projects Update

Council Member Bogosian said the Capital Projects Update can be removed from the Ways & Means agenda unless there is a funding matter that needs Committee attention.

Administrator Kerr said he anticipates a change order from Thomas & Hutton and the Bastian Group in the near future.

11. Old Business

a. Update on beach renourishment easements

Administrator Kerr said approximately one-third of the easements have been signed.

b. Update on MOU/escrow agreement with WDCA

Administrator Kerr said WDCA has accepted all the recent edits to the MOU. He believes they are close to the final version of the document.

c. Discussion of consideration of expansion of CARTA shuttle service

Administrator Kerr said the FY27 budget assumes an \$8000 increase to the City's portion of the CARTA expenses. Council Member Pierce said it seems like a lot of money for the amount of riders utilizing the service.

MOTION: Council Member Ward made a motion to consider City support of the expansion of the CARTA Beach Reach Shuttle services. Council Member Carroll seconded the motion.

Council Member Miller expressed concern about expanding the service based on such low ridership. She does not believe the numbers warrant an additional day of service. Council members Carroll and Pierce agreed it was worth funding for one year to see if it helped increase usage of the service.

VOTE: A vote was taken as follows:

Ayes: Bogosian, Ward, Pierce, Miars, Cohen, Carroll, Streetman

Nays: Miller

The motion passed 7-1.

12. Legislative Report

This item will also be removed from the Ways & Means agenda.

13. Adjournment

Council Member Ward made a motion to adjourn the meeting, and Council Member Carroll seconded the motion. The meeting was adjourned at 7:54pm.

Respectfully submitted,

Nicole DeNeane

City Clerk