



**WAYS & MEANS COMMITTEE MEETING**  
**5:00pm, Tuesday, May 12, 2026**  
**City Hall Council Chambers**  
**1207 Palm Boulevard, Isle of Palms, SC**

**MINUTES**

**1. Call to Order**

Present: Council members Streetman, Miller, 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 --none**

**4. Short-Term Rental Report**

Administrator Kerr said short-term rental licenses are tracking as expected. There are currently 1,733 short-term rental licenses with 5 pending. He noted corrections made to the 4%/6% numbers from last month's question from Council Member Carroll.

Council Member Pierce would like a report of total reported revenues for the short-term rental licenses. Council Member Ward noted that 75% of short-term rental licenses generate less than \$100,000 in income.

**5. Financial Review**

**A. April Financial Statement**

Director Hamilton reported that the City has received \$22.7 million in revenues, which is 70% of budget. Expenses are also tracking at 70% of budget at \$21.2 million. The Beach Preservation Fund will be over budget due to emergency restoration work.

Overall, the General Fund continues to perform well. Revenues year to date total about \$12.4M, which is ahead of where we expected to be at this point in the fiscal year. The City is seeing strong performance in business licenses, building permits, and rental licenses, and property taxes are tracking right on target.

Business licenses, permits, and short-term rentals are also performing “strong.” The City is on target to meet and exceed property tax projections for the year.

On the expenditure side, about \$13.7M has been spent year to date. That is within the expected range, and staff is still forecasting that total expenditures will come in slightly under the annual budget.

Personnel costs are within expected ranges. Although overtime expenditures are trending higher in the Fire Department and Public Works, the offsetting savings from vacant positions should be sufficient to keep total personnel costs aligned with the approved budget. Operating expenditures across departments are generally within budget, with a few exceptions in vehicle maintenance and temp labor.

The City’s cash balance is \$57.6 million. Cash balances are up 10% over prior year. The City has earned \$1.8 million in interest year to date.

Director Hamilton said they are forecasting Fund Balances to end FY26 with \$57.4 million.

She reported that the County has been slow to get any tourism funds to the City as only \$38,000 has been reported for April compared to \$56,000 last year. She believes the lag is due to collections from the larger companies like AirBNB and Homeaway. State ATAX received in May was 1% higher than last year. The County pass-through has not been received, but she is projecting that amount to be 11% higher than last year. Hospitality taxes are trending 1% higher than FY25 and Municipal ATAX at 3% higher.

**B. FY27 Budget Draft**

Director Hamilton stated that all revenues talked about in previous budget discussions have been added to this version of the budget. The budget also reflects the City carrying debt service in the out years to cover sand retention methods and new fire apparatus.

Total projected revenues for FY27 are \$38.1 million, representing a 16.5% increase over the FY26 budget. She reviewed changes to the fund balance related as each revenue stream is removed from the budget. Expenses in FY27 are projected to be \$44.8 million, which include higher personnel costs, funds for beach renourishment, and departmental capital expenses. She reviewed the capital expenditures by department.

**C. Discussion and consideration of cost reduction opportunities for FY27 / Discussion and consideration of revenue streams for FY27**

Council Member Bogosian recommended a split of the \$2.1 million increase in expenditures and “target about \$1 million of new revenue and have this group commit to about a million dollars of cost savings over the next year where we really look at ways to cut our service contracts, put them out to bid, mainly things like IT contracts, insurance, and look at all those and see if we can’t trim a million dollars out of our budget.”

He further recommended, “I suggest we get to it instead of going up 2.7 mils, we cut that by a mil, round it up to 1.8 mils, keep the debt service on the truck, not currently do anything with

business licenses, permits, or parking revenue other than maybe commit to an audit function over the next year to audit and maybe put \$25,000 into the budget to hire an outside firm to audit those, see how close to compliance they are. And then the last one is I'd like to see us do the Local Option Sales tax of \$333,000."

Council Member Miller said she agrees with his suggestion for the most part, adding that she would like to look at the "parking model."

A brief discussion ensued about the transfers to the Marina Enterprise Fund. Administrator Kerr will verify any requirements related to putting money in that fund.

Administrator Kerr will also reach out to Charleston County's auditor to ask about having County staff conduct a business license audit. He noted they are paid in fees they recoup on behalf of the City.

**MOTION: Council Member Bogosian made a motion to increase the millage rate by 1.8 mils, set the debt service millage to 0.93, include the LOST credit factor adjustment in the budget, and remove all increases related to business permits, business licenses, short-term rental licenses, and parking from the FY27 budget. Council Member Miller seconded the motion. The motion passed unanimously.**

Administrator Kerr said they will modify large purchases in the out years to cash purchases and also extend the LOST credit to the out years of the budget. The First Reading of the budget will be at the May 26th Council meeting.

At the end of the meeting, Council Member Ward requested an outline of agreed upon procedures for an audit of business licenses.

## 6. Procurement

### A. Report of purchases between \$10,000 and \$25,000 and emergencies

Administrator Kerr said the USACE will credit back to the City the \$10,595 spent by the City to clean up the beach.

### B. Consideration of purchase for new service for Records Management System – CivicEye, \$55,548

Chief Cornett spoke to the Committee about the need to secure a new records management system. He said there is \$70,000 in the budget, but if the City adopts early implementation along with Sullivan's Island, the first-year cost of the software will be \$55,548. He is seeking permission to go ahead with early implementation of the software, with no money being expended until July.

**MOTION: Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.**

## 7. Old Business

### A. Update on marina parking lot lease amendments and parking lot design

Administrator Kerr reported that the restaurant tenant has proposed \$3,000/day in liquidated damages beyond the January/February timeline proposed for the parking lot redesign. The City will counter with \$1,000/day and include that cost in the contract so that the cost is paid by the contractor. He will have the contractor prioritize the restaurant space so as to limit any damages. He will also ask for flexibility in the placement of the dumpster.

Administrator Kerr would like to get this project out to bid as soon as possible so they can keep to the schedule of work for the first part of the new year. The Committee agreed he should move forward as discussed.

**B. Updated on escrow agreement with WDCA**

Administrator Kerr said the escrow agreement with WDCA has been executed, the money has been wired, and it has been shifted to a dedicated escrow fund.

**C. Discussion of marina dredging project**

Administrator Kerr said this project is tracking well. ATM is still working to secure permission from USCAE to use their spoil site for the dredged materials.

**D. Discussion and consideration of changes to the Fire Department incentive program**

Council Member Bogosian said some small changes made to the Fire Department incentive program caused a slight increase in cost.

**MOTION: Council Member Bogosian made a motion to approve the changes to the Fire Department incentive program as noted in the meeting packet. Council Member Miars seconded the motion. The motion passed unanimously.**

**8. New Business**

**A. Discussion of change order from the Bastion Group**

Administrator Kerr said the change order from the Bastion Group has resulted in a \$49,000 credit to the City, but it also adds 56 days to the completion date of the project. Bastion will work to minimize traffic delays and keep the work to the shoulders of the road. He is expecting additional change orders due to conflicts with water lines, but he said it should not increase the cost of the project.

**B. Discussion of Director of Planning, Building, and Zoning**

Council Member Pierce said that Administrator Kerr has been doing both jobs and that this position no longer appears in the City's organizational chart. He believes the department needs oversight since it generates \$6 million annually.

Administrator Kerr briefly described how he has come to hold both positions. He reminded the Committee that the City created the Zoning Administrator position to help lighten the workload. He noted that when the Zoning Administrator and Building Official positions are full, the work as the Director of Building is low.

Council Member Ward asked where this person would have an office, noting that the Administration Committee pulled the Resilience Officer position from the budget earlier in the budget discussions. The full cost of Director of Building would be \$162,000. Administrator Kerr said the office space is a challenge since there is no room within the Building Department.

Council Member Miller said the Director of Planning is not a new position, only a re-alignment.

Administrator Kerr said that work within such a position would ebb and flow, and he does not believe that there is currently 40 hours' worth of work for someone to do. He did note a benefit for succession planning.

Administrator Kerr said the position is included in this budget. The next step would be to create a job description. Council Member Bogosian said to prepare the job description and move forward with the hiring process.

**C. Discussion and consideration of grant recommendations from the ATAX Committee**

**i. Lutheran Retreat Center, \$12,000**

**MOTION:** Council Member Pierce made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

**ii. Island School Literacy Events, \$40,000**

**MOTION:** Council Member Miller made a motion to approve, and Council Member Pierce seconded the motion. The motion passed unanimously.

**iii. YWCA Greater Charleston MLK Event, \$10,000**

**MOTION:** Council Member Coehn made a motion to approve, and Council Member Streetman seconded the motion.

Council Member Miller said she believes the YWCA's request does not meet the requirements for ATAX sponsorship. She noted that their budget indicates a projected \$3000 spend for marketing and communications and suggested that they award them that amount instead of the requested \$10,000.

**MOTION:** Council Member Miller made a motion to amend the award amount to \$3,000. Council Member Pierce seconded the motion. A vote was taken as follows:

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

Nays: Carroll, Ward

**The motion passed 6-2.**

**VOTE:** A vote was taken on the amended motion as follows:

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

Nays: Carroll, Ward

**The motion passed 6-2.**

**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