



TOWN OF SURFSIDE BEACH  
115 US Highway 17 North, Surfside Beach, SC 29575  
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**TOWN COUNCIL BUDGET MEETING  
COUNCIL CHAMBERS  
THURSDAY AND FRIDAY, APRIL 25<sup>TH</sup> AND 26<sup>TH</sup>, 2013**

**A G E N D A**

**Thursday, April 25, 2013 - WORKSHOP**

8:00 a.m. Continental Breakfast

9:00 a.m. Call to Order – Mayor Doug Samples

1. Budgeting Overview
2. FY2013-2014 Proposed Budget - General Fund
3. Capital Replacement Plan
4. Adjourn for the day

**Friday, April 26, 2013 – WORKSHOP, Continued**

8:00 a.m. Continental Breakfast

9:00 a.m. Call to Order – Mayor Doug Samples

5. Special Revenue
  - a. Hospitality
  - b. Accommodations Tax
  - c. Local Accommodations Tax
6. Capital Projects
  - a. Stormwater
  - b. Capital Projects Millage
7. Enterprise Funds
  - a. Sanitation
  - b. Pier
8. Action and Consensus Items
9. Adjourn

*Note: Mayor Samples will call for breaks and a lunch recess at the appropriate times.*



**SURFSIDE BEACH TOWN COUNCIL  
BUDGET WORKSHOP MINUTES  
APRIL 25 AND 26, 2013 ♦ 9:00 A.M.  
TOWN COUNCIL CHAMBERS**

**Thursday, APRIL 25, 2013**

**CALL TO ORDER.** Mayor Samples called the workshop to order at 9:00 a.m. Mayor Samples, Mayor Pro Tempore Mabry, and Councilmembers Dodge, Kohlmann, Johnson, Smith and Stevens were in attendance. A quorum was present. Others present: Administrator Fellner; Finance Director King; Fire Chief Cimini; Planning Director Morris; Police Chief Keziah; Public Works Director Adair; Recreation Supervisor Ellis; Senior Accountant Gardiner; Executive Assistant Messall, and Town Clerk Herrmann.

*Note: Page numbers refer to the pages in the FY2013-2014 Budget Book, which is on file.*

**Budgeting Overview** (pp. 1-17D) – Ms. Fellner presented a budgeting overview, explaining in her opinion that the town should have between three and six months reserves, instead of the two months that is considered acceptable by accounting standards, which will insure there are sufficient funds to keep the town operating if there is a hurricane or other disaster.

**FY2013-2014 Proposed Budget - General Fund** (pp. 18-33)

Council accepted assumptions presented, and concurred to these amendments throughout the workshop:

- Move parking revenue and expenses from Hospitality Fund to the General Fund
- Delete \$14,500 for video recording of council meetings
- Delete Hospitality Non-Departmental \$70,000 Magnolia,
- Add Hospitality Non-Departmental \$10,000 for Cedar and \$10,000 for Magnolia
- Delete Public Works – Grounds \$20,000 truck
- Public Works to provide a list of all vehicles and where assigned
- Increase non-department insurance deductible to \$20,000
- Investigate legality of taxing 40 mils and depositing full amount in General Fund (determine if tax increase)
- Delete in General Fund Non-Departmental – \$7,800 for IT Hardware <\$5K
- Delete in Hospitality Fund Fire – \$5,000 command cap; \$25,500 pagers, and \$20,000 Ops Trailer
- Employee compensation - staff to send recommendations for salary increases; one-time bonus, and Christmas bonus
- Compensation options to be sent to Town Council; special meeting to be held at 5:00 p.m. on May 14<sup>th</sup> to consider compensation and revisions
- Fund Cameras for beach accesses \$18,875 – funding source to be identified

**Administration** (p. 34)

- Delete \$14,500 for video recording of council meetings
- IT Hardware <\$5k identified as PHP, 3<sup>rd</sup> person authority on web publishing; antivirus protection; email retention

- 48  
49 **Finance** (p. 35) – no changes or explanations  
50  
51 **Police Department** (p. 36)  
52     o Postage – increase - new regulations require certified mail for discovery motions  
53     o Promotion & Special Events – increase – Citizens Police Academy, Community Watch, etc  
54     o Furniture, Fixtures & Equipment - <\$5k – continue to replace old desks and chairs  
55  
56 **Fire Department** (p. 37)  
57     o Salaries, Special – volunteers and replacement firefighters when full time employees off or at  
58         school  
59     o Safety is more important than ISO rating, but there is a balance  
60     o Uniforms – turnout gear, currently using ill-fitting, mismatched gear which is a safety issue  
61     o Operation of Motor Vehicles – required training  
62     o Dues & Subscriptions – Horry-Georgetown County Fire Chiefs Association  
63     o Repairs & Maintenance – Required ETV mechanic; Engine 3 has high maintenance, and two of  
64         the newer vehicles are out of warranty  
65     o Materials & Supplies – need annual budget to replace/purchase protective clothing; 14 sets to  
66         purchase this year  
67     o Contractual Services – air pack testing and quality control; pumps are certified yearly, includes all  
68         contracts identified  
69     o Consider inspection fees being charged in the area  
70  
71 **Court** (p. 38)  
72     o IT Repairs and Maintenance – replace hard drives (old computers need upgrades)  
73  
74 **Planning, Building & Zoning** (p. 39)  
75     o Travel & Training – to certify for stormwater plans and inspections  
76     o Repairs & Maintenance – new laminate flooring in department, and paint offices  
77     o Professional Services – Earthworks stormwater plan reviews and on-site inspections  
78     o Grant Match – façade grant program as proposed by the business committee  
79     o Evaluate inspection and permit fees; present recommendation  
80  
81 **Public Works** (p. 40)  
82     o Utilities – pays for all street lights in town and public works buildings  
83     o Professional Services – engineering for street projects (will not be used if no street projects)  
84  
85 **Fleet Maintenance** (p. 41)  
86     o Materials & Supplies – tools, personal protection equipment, cleaning products, welding and shop  
87         supplies  
88     o Subscription Software – All-Data diagnostic software-troubleshoots mechanical problems  
89  
90 **Grounds** (p. 42)  
91     o Utilities - \$20,000 Huckabee complex - transferred from recreation budget  
92  
93 **Recreation & Special Events** (p. 43)  
94     o Salaries – Special – -0- scorekeepers, Surfside Beach Youth Sports Association handles now  
95     o Utilities - \$20,000 transferred to Grounds Department for Huckabee complex  
96     o Repairs & Maintenance – transferred from Hospitality, includes civic center and club house  
97     o Miscellaneous - \$75,000 50<sup>th</sup> Anniversary advertisements, town magazine, four events, and  
98         fireworks  
99  
100 **Facilities** (p. 44)  
101     o Operation of Motor Vehicles – repairs  
102     o Repairs and Maintenance – annual fire extinguisher testing; pest control; general repairs; carpet  
103         cleaning; termite inspection

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**Non-Departmental** (p. 45)

- Employee Health Insurance – increase to \$20,000
- Contractual Services – copier and postage machine in town hall
- IT Hardware <\$5k – delete \$7,800
- Capital-buildings improvements \$57,000 – for mold remediation and HVAC in Chambers

**Debt Service – Non-Departmental** (p. 46) – the Town's GO Bonds are paid in full.

**Debt Service – Fire Department** (p. 47) - Fire Truck lease/purchase

**Capital Replacement Schedule** (p. 48) – only expenditures are grounds department truck that may be swapped out with another department instead of purchase; street tractor, street mower, and Huckabee fence

**Capital Expenditures** (p. 49) – no explanations or changes

**Hospitality Fund Summary** (p. 50) – \$3,200 Recreation and Special Events for Veterans Memorial upkeep

**Hospitality Fund – Parking** (p. 51) – zero – parking revenue transferred to General Fund

**Hospitality Fund – Budget Summary** (p. 52) – no explanations or changes

**Hospitality Fund – Police – Meters** (p. 53) no explanations or changes

**Hospitality Fund – Fire** (p. 54)

- \$30,000 repairs to Engine 3 to meet safety requirements
- \$13,500 – for 12 each 1-3/4" nozzles
- \$6,000 – for 5 each 2-1/2" nozzles
- Delete \$5,000 command cap – cover for chief's truck bed
- Delete \$25,500 pagers – possibly negotiate with Horry County for compatible equipment at lower price
- Delete \$20,000 Ops Trailer

**Hospitality Fund – Police** (p. 55)

- Materials & Supplies/FF&E <\$5K - \$3,000 Radio – specific radio for cars to work with Horry County band
- Capital Other Equipment - \$31,800 IT Equipment – secure server/media storage for evidence documents that meets chain of evidentiary rules

**Hospitality Fund – Recreation** (p. 56) – no explanations or changes

**Hospitality Fund – Non-Department and Grounds** (p. 57)

- Beautification Project - \$50,000 landscape and sign at town entrances
- FFE <\$5,000 - \$3,500 New swings and equipment for parks
- Landscaping - \$25,000 Landscaping Ocean Boulevard – between 6<sup>th</sup> Avenues North and South
- Delete \$20,000 truck purchase
- Delete Landscaping - \$70,000 Magnolia and Cedar
- Include \$10,000 Magnolia, and \$10,000 Cedar for improvements to public lake access

Mayor samples adjourned for the day at 5:01 p.m.

160 **Friday, April 26, 2013 – Budget Workshop, continued**

161  
162 **CALL TO ORDER.** Mayor Samples called the workshop to order at 9:00 a.m. Mayor Samples, Mayor  
163 Pro Tempore Mabry, and Councilmember Johnson were in attendance. Councilmembers Dodge,  
164 Kohlmann, Smith and Stevens were absent. Councilmembers Dodge and Kohlmann were absent due to  
165 illness. Councilmembers Smith and Stevens were out of town. A quorum was not present. Others  
166 present: Administrator Fellner; Finance Director King; Fire Chief Cimini; Planning Director Morris; Police  
167 Chief Keziah; Public Works Director Adair; Recreation Supervisor Ellis, and Town Clerk Herrmann.  
168

169 Mayor Samples said that staff could provide information to those members present, but no action could  
170 be taken since a quorum was not in attendance.  
171

172 **Accommodations Tax Fund** (p. 58) includes committee recommendations for next year's funding in  
173 each department  
174

175 **Accommodations Tax Fund – Police** (p. 59) – Salaries, Regular – beach patrol, 1.5 employees  
176

177 **Accommodations Tax Fund – Public Works** (p. 60)

- 178 ○ Utilities \$8,500 water for beach access showers and beach restrooms
  - 179 ○ Transfer to General Fund \$38,800 for allowable beach related services performed by staff
- 180

181 **Accommodations Tax Fund – Recreation & Special Events** (p. 61)

- 182 ○ Movies in the park – surveys will be taken to determine percentage of tourists participation
- 183

184 **Accommodations Tax Fund – Non-Departmental** (p. 62)

- 185 ○ Grants: \$4,000 for Rotary Club race; \$5,000 for Guy Daniels Surf-off, and \$200 for Serenades in  
186 the Park advertising
  - 187 ○ Funds are available for other requests throughout the year; grant requests for next fiscal year are  
188 sought between October 1 to December 31
- 189

190 **Local Accommodations Tax** (p. 63) – no explanations  
191

192 **Budget Summary – Capital Projects Fund** (p. 64)

- 193 ○ Total expenses at this time are \$479,375;
  - 194 ○ Fund balance is \$594,514, which is sufficient to complete proposed high-priority stormwater  
195 projects; staff to prepare a schedule
- 196

197 **Sanitation Fund – Budget Summary** (p. 64)

- 198 ○ Estimated revenue based on the rate increase just adopted; staff recommends completing a  
199 whole cycle to determine variables, i.e. opt-in, opt-out for services
- 200

201 **Sanitation Fund – Operating Expenses** (p. 66)

- 202 ○ Contractual Services – Horry County Solid Waste Authority and Grand Strand Water and Sewer
  - 203 ○ Depreciation expense was estimated at a higher amount, because a new truck will be delivered  
204 during the next fiscal year
  - 205 ○ Staff to consider whether the 5-percent transfer to General Fund actually represents a fair  
206 reimbursement for staff work; suggested 10-percent transfer might be more accurate
- 207

208 **Pier Fund – Budget Summary** (p. 67)

- 209 ○ This fund requires a lot of cash to pay for expenses
  - 210 ○ All items are capitalized; depreciation on the income statement represents investment
  - 211 ○ Staff was asked to prepare a balance sheet identifying revenue and expenses
  - 212 ○ Payment of \$163,000 to the General Fund was included for FY13-14
- 213

214 Ms. Mabry stated for the record, "Simple fact is we can't run this town of 40 mils. We can't do  
215 this. We can't cut hundreds of thousands of dollars out of the budget every year when we're already

216 getting a budget that's lean to begin with; can't do it on the backs of the employees. I personally as a  
217 councilman [sic] don't want to. We charge the lowest permitting fees of anybody in the county. They're  
218 ridiculously low. We haven't addressed that. I'd like to know at least a comparison. We can't, we just  
219 cannot continue to go on this way, provide the level of services that we need and our citizens expect, and  
220 this is just gonna go on forever and ever. Our fund balance is dangerously low, and I'm gonna use the  
221 word dangerous, because in my opinion, and I am not speaking for council, I am speaking as a [sic] one  
222 councilmember. This is disturbing to me. Two months of fund balance is, if there's a hurricane, the town  
223 would shut down. The bills don't stop coming. So, I want to make sure that everybody knows we've got  
224 to bring that fund balance up. We can't do it. We cannot do it unless we make some tough decisions, in  
225 my opinion, and I'm, I, I want this on the record. I want to be the one to say this isn't gonna happen year  
226 after year. We cut a couple hundred thousand last year out of the budget. We're working on that goal  
227 now. It's not there. You can't keep getting lean budgets and then expect to be able to cut hundreds of  
228 thousands of dollars. It's not there to cut. So, unless we think about raising taxes, and I'm gonna be the  
229 one to say it, we're gonna have to start thinking about alternative funding, and go to the, or we're gonna  
230 have to start thinking about dropping services, because we cannot continue to go on this much longer,  
231 and I wanted to be the one to say it. I didn't want my council to say it. I think that's unfair to put it on the  
232 rest of council when that's my opinion."

233  
234 Mayor Samples said council always needs to distinguish between what is needed and what is  
235 nice to have. He believes staff had done a good job presenting the budget. The town is in good shape  
236 today, and will be in better shape tomorrow.

237  
238 **Pier Fund – Budget Summary** (p. 68) – no explanations  
239

240 Mayor Samples asked if the town could rent spaces on the pier. Ms. Fellner said the town owns  
241 and controls the pier and it could rent kiosk spaces. Pier Outfitters controls the area inside its four walls  
242 and the lemonade kiosk located at ground level. She believed that option should be investigated,  
243 because it could provide a decent incremental income revenue stream.

244  
245 Mayor Samples said if sanitation contributes 10-percent to general fund that would be equivalent  
246 to over one mil, which would be one less mil in terms of taxes that need to be raised. He encouraged  
247 staff to consider reasonable opportunities to gain tourism revenue from tourists who benefit from those  
248 beach related services.

249  
250 Mr. Johnson always thought the town was missing an opportunity to gain more revenue out on  
251 the pier, but was unsure what that might be. He asked if the pier was structurally sound for adding  
252 something, even at the end of the pier. He agreed options should be considered.

253  
254 Ms. Fellner said council needs to consider a memorandum of understanding about an  
255 encroachment permit for the restaurant to use the new deck that could be a revenue stream. Mayor  
256 Samples had been questions about how that would operate. Ms. Fellner said the sidewalk café fee  
257 structure should not apply at the pier and the ordinance will probably need to be amended. Mayor  
258 Samples said for the record that that the sidewalk café pricing would not apply to the pier deck, but it  
259 could not be resolved at this meeting due to the lack of a quorum.

260  
261 Mayor Samples said the compensation issue needs to be resolved and announced that another  
262 budget workshop will be held at 5:00 p.m. on Tuesday, May 14<sup>th</sup>, which will allow time for staff to  
263 complete changes and to prepare information that was requested.

264  
265 Ms. Mabry asked that planning, building and zoning evaluate permit fees in the surrounding areas  
266 and make a recommendation to Town Council.

267  
268 Ms. Fellner said the City of Myrtle Beach had just increased its fire inspection fee, and asked  
269 Chief Cimini to find out what others are charging and to prepare a recommendation for Town Council.

270

271 Ms. Mabry said staff recommended cost savings would benefit the town, and encouraged them to  
272 make them. She personally did not believe printed council packages should be delivered by the police  
273 department; she felt members should receive PDF documents by email and print them at home if they  
274 wanted paper copies. She believed that would save a lot of staff time and printing costs. Mayor Sample  
275 said that would probably eventually happen, but not right now. He agreed that staff time should not be  
276 used to deliver packages. Mr. Johnson laughingly said it was a great convenience.  
277

278 Ms. Mabry believes funds should be saved for capital improvements, because roads and large  
279 purchases will present and the town needs to be prepared for them. Ms. King said the town usually loses  
280 revenue when there is a reassessment. Ms. Mabry said her house, for instance, would never sell for the  
281 county appraised value. Ms. King said most people challenge the county's assessment and that further  
282 ties up tax funds. Ms. Mabry did not believe an increase would be derived from reassessment.  
283

284 Mr. Johnson said if the town attorney advised that the additional millage could not be collected  
285 and placed in the General Fund that Town Council should make the tax rate 40 mils. Mayor Samples  
286 said there was no question about that. Mr. Johnson said a rate of 40 mils is still low. Ms. Mabry said  
287 there is no other municipality that offers the services that Surfside Beach does for 40 mils; she did not  
288 believe such could be found in the United States of America. Mr. Johnson said citizens tell him all the  
289 time to raise taxes; just keep up the good services. Mayor Samples and Ms. Mabry had heard similar  
290 comments.  
291

292 Mayor Samples said the quality of services the town offers is exactly why towns exist. The town  
293 has great services, and great staff. There is no question about it; services would not suffer. Ms. Mabry  
294 said the town's services are what make it unique.  
295

296 Mayor Samples adjourned the workshop at 9:48 a.m.  
297

298 Prepared and submitted by,

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300

301 Debra E. Herrmann, CMC, Town Clerk

302 Approved: May 14, 2013

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305 Douglas F. Samples, Mayor

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307 Mary M. Mabry, Mayor Pro Tempore

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310 Mark L. Johnson, Town Council

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313 Roderick E. Smith, Town Council

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316 Ann Dodge, Town Council

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319 Elizabeth A. Kohlmann, Town Council

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322 Randle M. Stevens, Town Council

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316 Clerk's Note: This document constitutes summary minutes of the workshop, which was audio taped. This  
317 meeting was transcribed by Town Clerk Herrmann. In accordance with FOIA, meeting notice and the  
318 agenda were distributed to local media and interested parties. The agenda was posted on bulletin boards  
319 outside Council Chambers and in the Town Hall reception area. Meeting notice was also posted on the  
320 Town marquee.