



**SURFSIDE BEACH TOWN COUNCIL
BUDGET WORKSHOP MINUTES
MAY 14, 2013 ♦ 3:00 P.M.
TOWN COUNCIL CHAMBERS**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

1. **CALL TO ORDER.**

Mayor Samples said the order would be called as soon as Ms. Fellner got the projector set up at three o'clock and then called the budget workshop to order at 3:03 p.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; Recreation Supervisor Ellis; Police Chief Keziah; Fire Chief Cimini; Public Works Director Adair; Senior Accountant Gardiner, and Town Clerk Herrmann.

2. **BUSINESS.**

Ms. Fellner said there have been some technical issues. Some slides were not available, and some of the numbers need to be re-verified. She proceeded with a slide show detailing proposed changes to the FY2012-2013 municipal budget that included –

- Increase sanitation transfer to general fund for rent, \$45,375
- Decrease sanitation fund by \$45,375 for transfer to general fund for rent
- Increase hospitality transfer to general fund for Highway 17 paving, \$339,000. The road is an allowable expense under state statutes.
- Decrease hospitality fund by \$339,000 for transfer to general fund for Highway 17 paving
- Increase hospitality transfer to general fund for pier ADA ramp, \$131,300, which is an allowable expense from hospitality funds
- Decrease hospitality fund by \$131,300 for transfer to general fund for pier ADA ramp

Changes to fund balances for FY2012-2013 are an increase to General Fund \$616,675; Sanitation (\$45,375), and Hospitality (\$571,300.)

Mayor Samples asked if these changes had occurred. Ms. Fellner said these are proposed changes are an option for Town Council to consider. Mayor Samples said the numbers are very similar to the original budget; there were major transfers at the outset. He asked if these changes were in addition to. Ms. King said these were additional changes. Mayor Samples asked if these changes would affect the budget amendment on which first reading was held. Ms. King said it would not change the budget amendment, because the expenses would still be in the general fund, but the cash is being transferred from other fund and placing it in general funds. Mayor Samples said that was right; revenue adjustments are not shown in the budget amendment; only expenditure adjustments are stated. Ms. King said that was correct.

Ms. Kohlmann asked if for clarification on the road transfer. Ms. Fellner said it was to resurface Highway 17 Business from Melody Lane to 17th Avenue North.

Mr. Smith asked if that was half of the actual cost, which he believed was \$780,000. Ms. Fellner said right. Ms. King said the budget had \$441,000 to be moved from hospitality funds to general funds. Road paving is an allowable expense, so hospitality will fund the entire amount so the additional amount of \$339,000 is proposed to be paid by hospitality funds. Mr. Smith said the whole road will be paid by hospitality funds. Ms. King clarified that the budget will reflect that hospitality funds contributed the amount to the general fund; it is general fund's road, but hospitality pays for it. Mr. Smith said okay, and asked what the previous and proposed sanitation rent amounts were. It appeared there was \$45,000 additional. Ms. King said \$54,000 was originally in the budget. Mr. Smith said \$54,000 originally and now \$45,000 is added; okay. He asked about the \$131,000 for the ramp from the pier fund. Ms. King said cash is being transferred to the pier to pay for the ramp. Mr. Smith asked if all these transfers were in this

56 year's current budget, which is FY2013. Ms. King said if council so desires those changes will be done in
57 this year's budget.
58

59 Mayor Samples said money would be transferred from hospitality funds to the pier. He asked if
60 the pier would be able to repay the general fund the \$163,000. Ms. King said yes, and that amount is
61 already in the budget. Mayor Samples said right, it is in the budget, but council deferred pier payment to
62 general fund for two years; payment is included this year and the pier will continue making regular
63 payments to the general fund according to repayment schedule.
64

65 Ms. Fellner presented changes to fund balances for FY2013-2014 –
66

- 67 • Eliminate bonus to employees (keep Christmas bonus), increase general fund by \$89,000;
68 increase sanitation fund by \$13,000; increase accommodation tax fund by \$2,000
- 69 • Eliminate façade grant, increase general fund by \$50,000
- 70 • Move magazine to hospitality fund, increases general fund by \$25,000
- 71 • Increase general fund by transfer from sanitation fund for rent, \$42,860
- 72 • Decrease sanitation fund by \$42,860 for rent paid to general fund
73

74 Changes to fund balances for FY2013-2014 equal general fund \$206,860; sanitation fund
75 (\$29,860); accommodations tax fund \$2,000.
76

77 Mr. Smith asked if any other 50th Anniversary expenses could be moved into the hospitality fund.
78 Ms. Fellner did not know what the remaining balance was in hospitality funds, but there was not a
79 sufficient balance to move all the expenditures there.
80

81 Mr. Johnson asked what the current hospitality balance was. Ms. King said about \$600,000
82 before expenditures were made.
83

84 Mayor Samples said about the end of August 2012 it was reported to Town Council that the
85 hospitality fund balance was \$957,000. There was roughly \$600,000 left before any transfers were made.
86 He asked what the balance would be after the transfers. Ms. Fellner and Ms. King both said pretty close
87 to zero. Mayor Samples said Town Council wanted to know the facts.
88

89 Ms. Fellner said the reasoning behind the proposed alternatives was basically about cash flow. Is
90 the town running too tight; what is the cash flow? The town is running very tight. The proposed transfers
91 will use almost the entire balance from hospitality; the sanitation contribution to the general fund has
92 almost doubled, and there is a projected negative cash flow beginning in December 2013. However, with
93 some of the proposed changes, the negative cash flow may not occur. She was not comfortable giving
94 that number, because that was what was being calculated when the computer went down. If an
95 emergency event occurs, like a storm, there is no undesignated reserve, which is a dangerous situation.
96

97 Mr. Smith asked if the town could last until December without a negative cash flow. Ms. Fellner
98 believed so, but a few other less significant changes were made. Ms. King believes October 31st. Mr.
99 Smith asked if the information would be recalculated when the computer is restored. Ms. Fellner said
100 yes, and she believes the numbers are correct, but there has not been an opportunity to verify everything
101 is calculating correctly. Mr. Smith said okay.
102

103 Ms. King distributed three additional sheets, copies of which are in file. One sheet itemized cash
104 flow for the various funds. As of today, there is \$1.946 million in the bank. \$825,125 is in the general
105 fund. Projections for the general fund include expected revenue and expenses for each month, restricted
106 funds, and estimated ending balance. The amounts are before any changes are made based on today's
107 presentation. The suggestions in the presentation will help general fund, but reduce other funds. The
108 estimation is that at the end of May 2013, general fund balance will be (\$154,375.)
109

110 Mayor Samples said this was good information for council to have, and asked if the types of funds
111 would be discussed so Town Council would understand which funds had legal requirements, i.e., the

112 accommodations tax money is very restricted. Ms. King said basically the only fund that can be used is
113 the general fund, but even that fund has some restrictions. Mayor Samples asked what the legal
114 restriction is for the sanitation fund. Ms. King said the sanitation fund is a proprietary fund; it should be
115 used just as any business would and earnings should be reinvested in the business, and use it for paying
116 the department's expenses, such as rent. It should not be used to fund the general fund. Funds could be
117 taken out as long as they were reimbursed by the end of the year. Mayor Samples said state law is very
118 precise as it relates to accommodations tax, for example, it states revenues collected under the
119 accommodations tax shall be used *exclusively* (speaker's emphasis) for these uses. He asked where
120 that same legislation is found as it relates to proprietary funds like the sanitation fund. Ms. King said
121 North Carolina has a law that sanitation funds could not be used, but she was unsure whether South
122 Carolina had the same law. Mayor Samples asked her to find out and advise council before the town
123 might have to borrow money. Ms. King said she would.

124
125 Ms. King said the other funds shown were restricted that should not be used for general fund
126 revenue, which is the fund that funds town expenditures. During June, business license fees would be
127 received so the forecast is that there will be a positive balance at the end of June, July, and August. In
128 September, October and November the projection is a negative balance. In December, the first annual
129 property tax revenue will be received so the projection is that December will have a positive balance. The
130 projections are based on last year's information, because there is no other comparison data. Based on
131 the projections, the balance is a positive \$3.633 million at the end of December 2013, but most of that
132 money is restricted.

133
134 Mr. Smith said the end of May shows a negative ending balance and asked if that meant the town
135 was out of cash in that fund. Ms. King said yes, sir. Mr. Smith asked how the bills would be paid.

136
137 Mayor Samples said they would not be paid, because projected expenses and encumbrances of
138 \$715,500 is shown. One way is not to pay \$154,370 in bills and hold those until June when revenue is
139 received.

140
141 Mr. Smith asked Ms. Fellner if that was the plan. Ms. Fellner said that was not a plan she liked,
142 but that may be the reality of things. Mr. Smith said okay.

143
144 Mayor Samples asked if the transfers that were proposed at this meeting were made if that would
145 allow the payments to be made. Ms. King said yes. Mayor Samples said okay.

146
147 Mr. Smith said even though these numbers were not verified, the proposed changes could
148 probably take the town through or to November, he saw.

149
150 Ms. King referred to the page captioned "Comparison of FY2012-2013 to Proposed Budget
151 FY2013-2014," and said these numbers need to be verified, since they were being computed when the
152 computer failed. With changes, the general fund revenue would exceed expenses for next year. Capital
153 projects fund would have a negative balance, but that is because that revenue is held in the fund balance.
154 The projects will be completed using those funds, but no new revenue will be received next year.
155 Hospitality revenue should be about \$644,000 with \$492,000 expenditures, netting \$151,000. Applying
156 the changes hospitality has a (\$304,000) balance this year. Accommodations tax revenue is about
157 \$450,000 and expenditures of about \$383,000 and an ending balance of about \$67,000. She believed
158 there is a recommendation that needs to go back to committee. The sanitation fund would lose about
159 \$42,000, because it is paying more in rent to the town. The pier would lose about \$36,000 after making
160 the payment to the town. The net loss for the year is projected at (\$165,000.)

161
162 Mr. Smith asked how much the pier would pay the general fund. Ms. King said \$163,000.

163
164 Ms. King referred to the page captioned "General Fund - Changes in Fund Balance-Fund Balance
165 Summary" and said there is one obvious error. FY2012 Actual amounts are correct as they were taken
166 from the Comprehensive Annual Financial Report (CAFR). The FY2014 Proposed number for Transfers
167 (out)/in in the amount of \$134,098 should be \$174,728, which is the Increase/(Decrease) for the general

168 fund on the comparison page just reviewed. She reiterated that these calculations were being done when
169 the computer failed. She would verify the information and explained that this year, FY12-13, began with
170 \$1.086 million in unreserved fund balance and the projection is that at the end of FY13-14 the balance
171 would be about \$822,000.
172

173 Mayor Samples asked Ms. King to give more specific explanations. Ms. King said in FY2012
174 Actual the general fund balance is \$3,466,132. The FY13 adopted budget projected that ending balance
175 would be \$2,174,429. If the changes are made the projected FY13 fund balance is \$3,241,458, which is
176 the total of non-spendable, committed, assigned, and restricted funds.
177

178 Mayor Samples asked if she was sure all the changes were legal. Ms. King said yes. It is not
179 "safe," but it is legal. She would not do anything that was not legal. Mayor Samples asked why she was
180 not comfortable. Ms. King said because there is a bad number, i.e., \$174,728 versus \$134,098, and she
181 did not know why. She was not sure exactly when the computer failed; she was at a loss, because she
182 had to start over and now there miscalculations. Moving funds between accounts needs to be verified to
183 insure they are balanced. The fund balance beginning next year is \$3,241,458; transfers in/out is either
184 \$134,098 or \$174,728; it would have to be verified.
185

186 Mayor Samples reiterated that the \$174,728 increase/(decrease) from the Comparison of
187 FY2012-2013 to Proposed Budget FY 2013-2014 and the \$134,098 shown on transfers (out)/in on the
188 General Fund Changes in Fund Balance pages had to be verified.
189

190 Ms. King said the totals on the Changes in Fund Balance pare are more conservative. At the
191 bottom of the page the "Non-Spendable" balances, which consist of things like diesel fuel in the ground,
192 reserves for prepaids, show consistent balances, because there is no way to project what they might be.
193 The "Advances" column is the money the general fund loaned to the pier fund, and the proposed ending
194 balance at June 30, 2014 reflects a payment of \$163,000. State law requires that the victims advocate
195 program funds be separated for the victims advocate.
196

197 Ms. Kohlmann asked why there is such a big difference in the victims advocate amounts. Ms.
198 King said the proposed FY14 amount of \$20,266 is the same as the FY13 ending balance. She did not
199 know how the budgeted amount of \$2,326 was determined. She said those funds usually are around
200 \$20,000. Ms. Kohlmann asked what those funds represented. Ms. King said money collected from fines;
201 a percentage is returned to the town by the state to be used to perform victims advocate programs, i.e
202 pay victims advocate, and other victims advocate functions. The amount was left the same, because
203 research had not been done to determine what might be used. Ms. Kohlmann asked who oversaw those
204 monies. Ms. Fellner said the police chief.
205

206 Mayor Samples asked who collected the money. Ms. King said the court collects it and it is
207 transferred to the victims advocate fund.
208

209 Ms. Kohlmann asked how the victims advocate used those funds, who oversaw the expenditures.
210 Chief Keziah said most of the funds were used for salary, travel and training that is required to keep
211 certification, cell phone, laptop and desk top computers, materials and supplies to perform the job, office
212 furniture for that office. Funds are used to fund the office and its operations. Some funds are used to
213 help victims with lodging, food, or whatever their needs might be.
214

215 Ms. King said the amount would be adjusted at the end of the year; the information was just not
216 available now.
217

218 Ms. King said the street fund proposed ending balance \$609,970; those funds are from Horry
219 County.
220

221 Mayor Samples asked if that was all Horry County road money. Ms. King said that was money
222 paid for car taxes.
223

224 Mr. Smith asked if that was the \$30 per car. Ms. King said yes.
225

226 Ms. King said the car tax money and the County Transportation Committee money less the cost
227 of any road repairs or paving is how the balance is calculated. The annual net is about \$100,000, which
228 is why the next year's projection is \$609,970. As far as she knows, there are no road projects planned for
229 FY2013-2014. Last year's amount was less, because one-half of the cost of repaving Highway 17
230 Business was taken from Street Improvements. However, that expenditure is being taken from hospitality
231 funds now, which results in a larger balance in this restricted fund.
232

233 Mayor Samples asked if this was state, county, or town statute or policy. Ms. King believed the
234 County collected the funds and directed use for streets. Mayor Samples said good.
235

236 Mr. Smith said that balance goes up about \$100,000 each year, if it is not spent. Ms. King said
237 yes.
238

239 Ms. King said the capital replacement fund is used as determined by Town Council. Capital
240 replacement is to replace fleet vehicles and equipment that might need to be replaced. At the end of last
241 year, the fund had \$484,506; at the end of this year the balance is estimated at \$509,970. She believed
242 there were only a couple of things planned for capital replacement next year, which would result in a
243 balance of \$645,773. Town Council designated by policy that 3 mils would be placed in capital
244 replacement annually.
245

246 Mayor Samples said Town Council does have flexibility with respect to the capital replacement
247 funding. Ms. King said yes.
248

249 Ms. King said assigned funds are for land and meters were included in hospitality several years
250 ago for parking. The separation brings the land fund back; at the end of the year once all the funds have
251 been collected and expenditures are deducted, an actual number will be calculated. For this exercise,
252 she used budgeted numbers to project the amounts.
253

254 Ms. Kohlmann asked how flexible the commitment to capital replacement is. Ms. King said it was
255 up to Town Council; the amount designated is determined by council. Ms. Kohlmann asked for specifics
256 on how the funds were used. Ms. King said to replace cars; at one time 10 mils were reserved; it was
257 dropped to 3 mils, which is what is reserved now. Ms. Kohlmann asked if the proposed vehicle
258 purchases were from this fund. Ms. King said a tractor and a mower would be purchased from this fund.
259 Police cars may be purchased with hospitality funds. Ms. Kohlmann asked if that was the only other fund
260 used for capital purchases, except for accommodations tax funds.
261

262 Mayor Samples said the pier enterprise funds; sanitation pays for its own equipment and
263 vehicles. Mayor Samples said 10 mils was years ago. At that time the only enterprise fund the town had
264 was water. When the water system was sold, the sanitation fund was established. He guessed there
265 was a reason why the reduction from 10 mils occurred.
266

267 Ms. Kohlmann wanted to be clear that money was flexible. Mayor Samples said it was for the
268 council's new Mercedes! (*Laughter*) Mayor Samples asked how much the car allowance was in Myrtle
269 Beach. Mr. O'Dare said \$3,600.
270

271 Mayor Samples said Town Council decides the amounts for the land and meter fund. Ms. King
272 said correct, but if council wants to continue past practices, i.e. plantings along rights-of-way, this fund
273 would pay for that. Mayor Samples believed that all councilmembers understood the impact when funds
274 were used, and that everyone understood there was "no money laying around." His point was that Town
275 Council needed to understand its authority as well as the constraints by which it must operate.
276

277 Mr. Smith asked if the General Fund -- Changes in Fund Balance detail included the changes
278 discussed earlier in the meeting. Ms. King said to the best of knowledge, subject to verification of the
279 data from the computer failure, she believed the data includes the proposed changes. The numbers

280 appear to be reasonably close. Ms. King said the calculations would be verified and reported to Town
281 Council.

282
283 Mr. Smith said the accommodations tax fund showed a negative \$31,044 balance in June on the
284 first page discussed that showed all funds, and asked what could be changed to prevent a zero balance.
285 Ms. Fellner said the Gator purchase could be deferred. Mr. Smith said okay, thank you.

286
287 Ms. Fellner said she would be remiss if she did not explain the strategies of raising the fund
288 balance that included

- 289
- 290 • cutting services, which is unpopular and undesirable
 - 291 • generate new revenue streams through fees, permits, and licensing, but that takes time to
 - 292 develop and requires much planning and thought, and might take years to see any significant
 - 293 result
 - 294 • annex along the business corridor, which again takes time, and a complete plan
 - 295 • increase fees; currently information is being collected on fees for fire inspections, permit and
 - 296 business license fees for comparison to other areas in the county
 - 297 • raise taxes, which is the most logical strategy to relieve cash flow constraints.
- 298

299 Ms. Fellner said this was just information for Town Council to consider. Pursuant to Section 6-1-
300 320 millage can be increased by percentage based on the annual consumer price index plus the annual
301 population growth. The increase can be for the current year, plus the past three years if there was no use
302 during the previous years. The millage can be increased by a majority vote of Town Council. Millage can
303 also be increased above the cap with a super majority vote of council (5 votes) for prior year deficiency,
304 occurrence of a catastrophic event, or by court order. Basically, the town's percentage for FY13-14 is
305 9.9-percent, because the prior three years are used for calculation. This represents a possible millage
306 increase of 3.96 or a new millage of 43.96 mils, generating additional annual revenue of \$226,673. The
307 additional millage would equal \$16 per \$100,000 of house value. If Town Council chooses to wait
308 another year, the percentage calculation for FY2014-2015 would be 11.1, including prior years, making
309 the new millage 44.44, with a super majority vote.

310
311 Mr. Johnson asked if the stormwater millage was being eliminated. Ms. Fellner said she would
312 like to let it expire and send the revenue to the general fund for at least this year. Mr. Johnson asked if
313 that money was included in general fund in the proposed budget. Ms. Fellner said that was included
314 originally and was one of the assumptions made during the presentation.

315
316 Ms. Kohlmann was nervous about not having stormwater funding, because of the area in which
317 we live. She believed funds would have to be identified in the future, because runoff would not change,
318 and stormwater issues would probably just get bigger. She believed the town might be struggling to find
319 stormwater funding in the future. The beach is the town's gold mine, and she hated to see it become a
320 polluted "Acapulco" type place. She did not know the answers, but believed the town should tread lightly
321 on stormwater. Ms. Fellner said the request was only for the next year when the revenue would be sent
322 to the general fund; no request was made beyond next year.

323
324 Mayor Samples said there are some stormwater projects in the budget. Ms. Fellner said there
325 was about \$410,000 plus another \$160- to \$170 thousand that are fully funded, before sending money to
326 the general fund.

327
328 Ms. Kohlmann understood, but just didn't want to find a shortfall.

329
330 Mayor Samples said water quality is a serious issue for Horry County's entire coast.

331
332 Ms. Fellner said in closing that these are suggestions for Town Council to consider and make
333 decision upon. Decisions on this matter cannot be made at the administration or staff level. She sought
334 council's direction.

335

336 Mayor Samples said that the meeting was called to give staff direction; only Town Council directs,
337 collectively.
338

339 Ms. Kohlmann understood moving stormwater to the general fund for one year, but she was
340 afraid that years would pass and funding would never be established again. She asked if there was some
341 safeguard to insure the funding would be directed back to stormwater. Ms. Fellner said that decision was
342 up to council. Ms. Kohlmann believed councilmembers should consider that as a whole.
343

344 Mr. Stevens had researched the matter and said according to the Federal Clean Water Act, EPA
345 went to Aynor and directed them to fix a problem and they had to raise taxes on their citizens because
346 they did not have a stormwater millage. Mr. Stevens said those are facts.
347

348 Mr. Smith said next year over \$400,000 worth of stormwater projects would be completed. The
349 town might not be collecting millage and designating it for a stormwater fund, but the town will spend over
350 \$400,000 on stormwater projects next year. He assumed that money would come out of the general
351 fund, because that is where the money is placed, or would it come out of the stormwater fund. Ms. Fellner
352 said the funds would be taken from capital projects fund. Mr. Smith said in the next year, the town would
353 spend money, but not replenishing the account. Ms. Fellner said that was the proposal. Mr. Smith said
354 next May, if council determines that funds are needed in the stormwater fund, then at that time Town
355 Council could decide whether to designate millage to go into stormwater. Ms. Fellner said that was
356 correct.
357

358 Mr. Stevens said on March 25, 2008 the 5-percent millage was voted on for stormwater. Mayor
359 Samples said re-authorized. Mr. Stevens said re-authorized, whatever. He asked how much money was
360 gathered in the last five years in that stormwater fund, and how much was actually spent for stormwater
361 projects.
362

363 Mayor Samples said that information is in the CAFR, and referred to pages 20 and 21, capital
364 projects fund details. He believed the information Mr. Stevens requested could be compiled from
365 previous CAFRs. Mayor Samples encouraged everyone to check the CAFR, because it contained the
366 audited financial information.
367

368 Ms. Fellner said there was about \$400,000 a year, so approximately \$2 million.
369

370 Ms. Mabry had the information broken down by years from 2007 to 2011, if anyone wanted the
371 exact numbers per year.
372

373 Mayor Samples suggested going back to 2003 when the stormwater was first instituted. Audits
374 are completed annually and the information is available. Originally the town used general fund monies to
375 fund stormwater projects prior to adopting 5 mils for capital projects. He was not proposing a tax
376 increase, but there was nothing to prevent Town Council from acting. Expenses must be cut or funds
377 must be raised; money just does not fall out of the sky.
378

379 Mr. Tom Dodge, "If I'm not to talk, tell me now, and I'll go back and sit down." Mayor Samples
380 said he just wanted to ask council, that's all. Mr. Dodge, "As a taxpayer, I thought I should be allowed to
381 digress." Mayor Samples said they were happy to have him there. Mr. Dodge, "June is the sunset of
382 the 5 mil fee on stormwater. This June, next month, if we do not put that 5 mils back in that means our
383 tax base goes down 35 mils, because that is a sunset of the stormwater tax. If we vote to continue the
384 stormwater tax by 5 mils, not a problem. If you vote to put that 5 mils out of stormwater, where to me it
385 should go, because we do need stormwater money here, if it goes to capital expenses, general fund, that
386 to me in my opinion, is a 5 mil tax increase. You're also talking about another tax increase, last slide.
387 The last slide said nothing about spending decrease to get us out of this problem. Ah, when I don't have
388 money at home, I don't spend, and I think the town should be run the same way as you would run your
389 home. If you don't have the money, you don't buy that new car, you buy a used car, and if you can get
390 away with a golf cart, you don't even buy a used car, and I think there are places in town here that could
391 be golf cart uses, instead of trucks, but my argument is the sunset of the stormwater tax is June. That

392 means if nothing gets done, our taxes drop 5 mils, in my opinion. Okay, I'll go on, if something is done
393 and that stormwater tax, as I think it should be is put back in for stormwater, then it's fine. But you're
394 talking about taking it and putting it in the general fund, that isn't fine. That is a tax increase, and then
395 you're also talking about a tax increase on top of that tax increase, and that I think is wrong. Thank you."
396

397 Mayor Samples said he tried to make the same issue, which is the town cannot keep spending
398 money and remain the same place revenue wise. You cannot increase spending and maintain the same
399 millage. He was not in favor of a tax increase, but could collectively discuss it, because that is what
400 elected officials have to do. With respect to the stormwater millage, he thought there was a legal opinion.
401

402 Ms. Fellner said Mr. Dodge raised the question about the legality of expropriating the 5 mils from
403 stormwater to the general fund, and she obtained a legal opinion. The town attorney's legal opinion and
404 the opinion of Scott Slatton, Municipal Association of South Carolina Legislative and Public Policy
405 Advocate, both said that millage could be used for whatever designation Town Council deemed once the
406 expiration happened. It did not revert and reduce the millage. The town will not lose the 5 mils.
407

408 Mr. Smith said the town's millage rate would stay at 40 mils. Ms. Fellner said yes, sir.
409

410 Mayor Samples said Town Council has the opportunity to retain the millage for capital projects as
411 had been done in years past; it was a council decision and a council policy. Staff did an extraordinary job
412 before presenting the budget. They went through and cut more than they wanted to, although it might not
413 be as much as Town Council wants to cut. He gave staff credit where it is due; they cut a lot of expenses
414 out. If Town Council wants to retain the 5 mils for capital projects, a motion needs to be adopted to give
415 staff a clear indication of council's wishes to the budget can be prepared.
416

417 Ms. Fellner said an executive session was scheduled for this session since there are a number of
418 salary and benefit issues that she would prefer that they be discussed in executive session, if council
419 wants to discuss them. The town is so small that everyone knows who is being discussed when certain
420 departments or positions are mentioned. There may be other places that Town Council would like to
421 make cuts; staff was looking for Town Council's direction.
422

423 Mayor Samples was not inclined to enter executive session, but it was up to Town Council. He
424 believed there were non-personnel matters that could be discussed. He asked if the numbers reported
425 for the upcoming fiscal year assumed no pay increase. Ms. King believed no pay increases were
426 included. Mayor Samples believed it was a simple matter and should be done openly. The budget
427 presented included a 3-percent raise. Town Council spent an hour discussing various pay options and
428 bonus payments. Since that time, he believed they had all learned that the town's financial situation was
429 probably tighter than was first believed. The town has been good to the employees, even granting pay
430 raises when the economy suffered. He believed the reality is that employees would have to "bite the
431 bullet;" he supported no pay increases across the board in FY13-14.
432

433 Ms. Dodge seconded that; she did not like the idea of doing anything on the backs of the town
434 employees. She did not want to get rid of any employees, because people depend on their jobs. The
435 fact of the matter is, if the town does not have the money, they cannot be paid anyway. So, the council
436 needs to do what it has to do to keep the town afloat. She did not mean to be dramatic, but that is the
437 case.
438

439 Mr. Smith supported no pay increases this year, and so the action would be in open public said, "I
440 move that we don't give pay increases for the Fiscal Year 13-14." Ms. Dodge seconded. All voted in
441 favor. **MOTION CARRIED.**
442

443 Mr. Smith moved to adopt the other proposals presented by staff that includes (1) eliminate the
444 façade grant, \$50,000; (2) move the magazine to hospitality, \$25,000, and (3) increase the transfer to the
445 general fund for rent from the sanitation fund, \$42,860. Ms. Dodge seconded.
446

447 Ms. Dodge believed the budget should be cut across the board at least 5-percent, and perhaps 7-
448 percent and that would be what the town would work with and leave it to staff's discretion to figure out
449 how to make it work.
450

451 Mayor Samples asked if Ms. Dodge would like to state an amendment to the motion or wait to
452 offer a new motion once the motion on the floor was disposed.
453

454 Ms. Dodge said she would wait.
455

456 All voted in favor. **MOTION CARRIED.**
457

458 Mayor Samples asked if anyone had any other ideas.
459

460 Ms. Kohlmann said she was just doing numbers and asked about the \$25,250 expense for phone
461 land lines, and \$9,750 for cell phones, and she was really bothered by the \$6,800 being paid for cable.
462 The grounds department expense was \$3,000 and asked if there was a reason why grounds has a \$250
463 a month cable bill. She asked for explanations one at a time, because she really wanted to know about
464 that. Ms. Fellner said the ground department recently discontinued the cable; they no longer have cell
465 phones, and all the phone land lines at Huckabee were cancelled, and all of the computer equipment.
466 Ms. Kohlmann asked if that would adjust the budget by those figures. Ms. Fellner said right. Ms.
467 Kohlmann asked for an explanation of the \$3,000 expenditure for non-departmental cable at \$250 a
468 month, which is more than she has at home. Ms. Fellner said that was town hall, which included
469 television. Ms. Kohlmann said cable television in town promoted laziness and promotes people watching
470 Myrtle Manor. Ms. Fellner said that problem did not exist. If there is an emergency, it is a good thing to
471 have one connection; multiple connections were not needed. Ms. Kohlmann asked if the town needed
472 \$250 a month, which would pay for every single channel cable offers. Ms. Fellner said honestly she had
473 never turned on the television in town hall. However, she would be happy to review the expenditure. Ms.
474 Kohlmann said she was bringing up \$3,000 and \$6,000 amounts. Mayor Samples asked Ms. Kohlmann if
475 she wanted more information. Ms. Kohlmann said no, she did not want to spend \$6,800 on Time Warner
476 Cable. Ms. Fellner said that was not just for cable. It also includes internet. There is voice over IP at the
477 fire station. Ms. Kohlmann said maybe it is just how it is stated in the budget, if the description in the
478 budget had said internet and not cable service, she probably would not have even thought about it. Ms.
479 Fellner understood her comment and said it was described as cable, because that is who provides the
480 internet service.
481

482 Mayor Samples believed that council has an obligation to approach the budget from the top down
483 and the bottom up. The town has a council form of government, and as a council form of government, the
484 council has legislative, executive, and administrative responsibilities.
485

486 Ms. Kohlmann asked for clarification on how gas is purchased and distributed. She asked if
487 department directors or other had credit cards, where was gas purchased; the town seems to spend so
488 much money when it's totaled up between and gas the operation of motor vehicles to amount of \$336,705
489 a year. Ms. Fellner asked if she was talking about gas or diesel. Ms. Kohlmann said gas and diesel,
490 because sanitation diesel is included in that number. She asked if diesel was stored at Sandy Lane. Ms.
491 Fellner said yes, and for the vehicles, i.e. the town administration car, there is a gas card that stays in it
492 and the town gets a reduced rate for fuel. Separate personal identification numbers (PIN) are given to
493 every employee. Ms. Kohlmann asked if everybody had that; the police department vehicles, the fire
494 department vehicles. Anybody that buys gas has to have that card or a PIN number. She asked if that
495 how purchases are controlled. Ms. Fellner said yes, said occasionally someone would use a credit card
496 instead of the discount card. Ms. Kohlmann said \$3.75/gallon is not a lower rate, which is used on every
497 department for gas. Ms. Fellner said that amount was only for budgeting purposes. The number
498 fluctuates; staff has no way of knowing what fuel will actually cost.
499

500 Mr. Smith asked which stations were used to purchase gasoline. Ms. Fellner said the discount
501 card is not accepted at all filling stations; Kangaroo and BP accepts the card. Chief Keziah said the
502 discount card is through Fuelman and fuel could be purchased at any station that takes Fuelman.

503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558

Mayor Samples thought Ms. Kohlmann had put her finger right on an issue that has not been considered by council in many, many years, which is the use of vehicles and the fuel expense. He asked when staff had last analyzed it. Ms. Fellner said not since she started. Ms. King said it was probably just before the Fuelman card was implemented, because the town used to have its own gas tank.

Mr. Smith asked what percentage of the gasoline budget had been used so far this year. Ms. Fellner did not know; she would have to let him know. Mr. Smith asked if the gasoline budget could be cut by 5-percent in every department for next year. Ms. Fellner would not even hazard a guess. Mr. Smith asked her to get some data so when council met again she could make a recommendation. Ms. Fellner said yes, sir.

Mayor Samples asked if there was a vehicle take-home policy. Ms. Fellner said yes, certain police who include: police chief, two detectives (unmarked cars); police captain, and drug enforcement officer. Ms. Kohlmann and Mr. Smith said that totaled five.

Ms. Kohlmann believed the police chief should take home a car, and asked if it would be fair to say since the town is only two square miles that anything that happened would require officers to drive pass the police station, so they could drive to the police station and get in a car to go to the scene. She knew that was nitpicking, but having take-home cars created other liabilities for the town. She asked if there was a policy to require the car to be parked and not utilized when it is driven home. Ms. Fellner said the car should be parked. Ms. Kohlmann asked if it was clear to employees that the take-home cars could not be driven to dinner with six people in the car, because if there is an accident, the town would be liable. Ms. Fellner said that is already policy, and when a prior incident occurred in a town vehicle, a very strong memorandum was sent to employees reminding them of the policies. No staff from administration, finance, or planning, building and zoning employees have take-home vehicles. Ms. Kohlmann said the police chief needed to have a car to get where he needs to be, because he is on call 24/7; but, in fairness and the way gas and insurance prices are she did not understand why all the others needed take-home cars. The narcotics car is funded from a different place, but she thought the captain and the detectives were a stretch. She thought it was a real good perk, but thought at these times some of those perks should be reconsidered. Ms. Fellner did not know that the detectives would always be coming to the station first. Ms. Kohlmann said they would have to go to the crime scene first, she agreed with that, because they would be the detective in charge of the crime scene. Ms. Fellner asked if she was saying they would have to come with their vehicle from wherever they live to the police station and then change the vehicle and go to the crime scene. Ms. Kohlmann said she went through budget cuts in New York City, and in three years there were no raises. When there was a crime scene she drove from her home to the crime scene in her own car and just made do with that, because that is what she had to do. She was not saying the detectives should drive to the crime scene in their own cars, but she thought the policy should be reconsidered because the town is only two square miles. Mayor Samples agreed. Ms. Kohlmann said she was not suggesting taking away all take-home vehicles, but they need to be reconsidered if council is going to get the budget on-line, that is one of many issue to consider. Ms. Kohlmann asked how often detectives had to respond that they would need to drive the car home every day, which is a lot of gas and mileage on the vehicle that the town needs to stretch out the life of. If council is really going to look at things, some of those things need to be looked at too.

Ms. Dodge asked if Ms. Kohlmann was just speaking about the police department. Ms. Kohlmann said it was the only department talked about so far. Ms. Dodge did not believe department directors should be allowed to take town vehicles home and drive them back. It is not the town's responsibility.

Mr. Smith asked other than the police department, which department directors took home cars. Ms. Fellner said the fire chief and the public works director take trucks home. Mr. Smith asked if those were the only two, and the fire chief has to respond to fires, and would not want to take time to come by the fire station. Ms. Fellner said he needs the equipment in his vehicle, too. Mr. Smith said right, and if there are incidences in public works, the director needs to get here quickly. Ms. Fellner said yes, sir, she believed so. Mr. Smith said okay and he thought he was in favor of the public works director, and the fire

559 chief to driving vehicles home. He asked if Chief Keziah would review the cars being driven home by the
560 police department and make a recommendation to council. He did not want him to make a decision right
561 now, but would to hear a recommendation or information to justify the five take-home cars.

562
563 Mr. Johnson concurred with Mr. Smith's comments.

564
565 Ms. Kohlmann thought that was fair to bring a recommendation.

566
567 Mayor Samples also believed it was fair, but thought council did need to understand that it is a
568 perk, a privilege. It cost the town money, and it is part of a compensation package is how he viewed it.
569 There are other ways of compensating outstanding performance. He would like to ensure there is an up-
570 to-date policy. He believed Mr. Booth was the administrator the last time a memo was issued regarding
571 an arrest that occurred when a public vehicle was involved. He thought council had an obligation to up-
572 date the personnel manual clearly; there are liability issues that exist, the pick-up and transport of children
573 to and from school is one that comes to his mind. Council needs to look for ways to protect the town's
574 interest, while protecting its employees.

575
576 Mayor Samples called for recess at 4:33 p.m. and reconvened at 4:39 p.m.

577
578 Mayor Samples asked if there were personnel matters that should be discussed in executive
579 session. Ms. Mabry and Mr. Smith said yes. Mr. Johnson said no.

580
581 Ms. Mabry moved to enter executive session at 4:40 p.m. Mr. Smith seconded. All voted in
582 favor. **MOTION CARRIED.**

583
584 Ms. Dodge moved to reconvene regular session at 5:27 p.m. Mr. Johnson seconded. All voted in
585 favor. **MOTION CARRIED.**

586
587 Mayor Samples said that no action was taken during executive session.

588
589 Ms. Kohlmann was concerned because the check registry shows employee reimbursement for
590 the fiscal year as of now totals \$25,084.13. She understand that was for per diems and other types
591 reimbursement, but due to transparency, in her opinion the names should be stated with amount and
592 reimbursement reason, i.e., Councilmember Kohlmann, \$320, per diem, that way there would be no
593 question as to whom is receiving the money and where it is going. For instance, the notation January 31,
594 2013 employee reimbursement \$1,150 does not explain anything to her. It just says that some employee
595 got a \$1,100 check and she was sure they turned in receipts, but reiterated that due to transparency it
596 was really important, and asked her to look at it and let them know if there was a particular reason it was
597 done that way. Ms. Fellner said there was no problem changing it, but then again that would be more
598 time to break down everything out. If Town Council wants it broken out, staff would do so. Ms. Kohlmann
599 asked what difference was between typing employee reimbursement and a name. Ms. Fellner said the
600 reimbursements are lumped together to have one line instead of breaking out each individual
601 reimbursement. Ms. Kohlmann said this was her opinion, and it involved \$25,000.

602
603 Mayor Samples asked councilmembers for their opinions on whether the check registry should
604 show specific individual details instead of adding the items together and showing one generic employee
605 reimbursement total.

606
607 Mr. Smith did not think the information should be specific to the individual.

608
609 Mr. Stevens asked if the information was not specific, how would anyone know what the money
610 was spent for.

611
612 Ms. Mabry said it was not a burning desire of hers, and that she was sure that councilmembers
613 could get specific details about how much was spent and who it was for, they could ask. To take up time

614 when council is trying to reduce time is counterproductive. She believes there may be times when it
615 could be separated, but not during crunch times. Staff could get to it when they get to it.

616
617 Mr. Johnson agreed with Mayor Pro Tem Mabry.

618
619 Mayor Samples said the disclosure would remain as is.

620
621 Ms. Kohlmann said the town has Sam's Club, Lowe's, Home Depot, Office Depot, and Wal-Mart;
622 over \$12,000, to Sam's Club; \$17,000 at Lowe's; \$13,000 at Home Depot; \$7,000 at Office Depot, and
623 asked how those expenditures were controlled. She said \$12,000 at Sam's Club seemed like a lot of
624 money. Ms. Fellner said a lot of that is for events, especially the Sam's Club. There is a spread sheet
625 prepared for every single credit card by department to which the check requests forms that explain the
626 expenditure, and the receipts have to be attached. Ms. Kohlmann said so they have the information; she
627 had not visited with Ms. King, and said maybe that is what she should do to see how things are done. If
628 that is already done, there was no need to ask for opinions.

629
630 Ms. Kohlmann asked what the difference is between rental uniform service, which was \$5,554
631 and uniform equipment that was about \$23,000 for rental uniform service and uniforms and equipment.
632 What were uniforms rented for and did that include dry cleaning. Ms. Fellner said that was in public
633 works. Mayor Samples asked for an explanation of the service.

634
635 Mr. Adair said the uniforms are let for competitive bid. Rental Uniform Service (RUS) is the
636 current provided and he believed it that contract expires this year. Every employee receives a certain
637 number of sets of uniforms with his name and the town logo, including shorts for the summer season.
638 Every Tuesday the uniforms are picked up and fresh uniforms are delivered. RUS also provides cleaning
639 for the runners and mats at public works.

640
641 Mr. Smith asked where the mats are used. Mr. Adair said there are runners in the hallways
642 where staff walks in with dirty boots.

643
644 Mayor Samples asked when this would be re-procured. Mr. Adair believed it would be in the fall.
645 Ms. Fellner said the town did try purchasing uniforms in the past for public works and it did not work.
646 People came to work looking horrible and did not represent the town well at all. Mayor Samples said he
647 understood. Ms. Kohlmann said the guys definitely look good out there working. Mayor Samples asked if
648 the bid would be presented to council. Mr. Adair said absolutely.

649
650 Ms. Kohlmann said on page 120 events were \$12,000 family festival and \$3,000 a-tax totaling
651 \$15,000 and on page 121 the exact same listings are given, then on page 123 \$29,000 is listed; she said
652 it was confusing because all the numbers were the same. Ms. Ellis said on page 120 the \$15,000 total is
653 advertising for those events only. It is not the actual cost of the event. On page 121, the totals are the
654 cost for the actual event for bands, stages, etc. Ms. Kohlmann said the total is \$39,000. Ms. Ellis said it
655 should be corrected to \$29,000, and the farmers market should be added for \$5,000. Ms. Kohlmann
656 asked about the luau. Ms. Ellis said that was in accommodations tax.

657
658 Ms. Kohlmann said on pages 83 it shows camera upgrades for \$1,500 on page 84 it shows the
659 same thing under hardware. Ms. Fellner said those were different items and were for hardware and
660 software. Chief Keziah said that is to upgrade the outdoor security cameras at the police station, Sally
661 port, and the skateboard park.

662
663 Ms. Kohlmann asked how much a random drug testing cost. Mr. Adair said \$65. Ms. Kohlmann
664 asked how many times employees were tested. Mayor Samples said monthly. Ms. Kohlmann said CDLs
665 and others and asked if it was done. Mr. Adair said there is a contract with Doctor's Care. There are
666 approximately 16 CDL drivers working for the town. The US Department of Transportation regulations
667 require at least 50-percent of the drivers have to be tested. It is random; sometimes the same driver is
668 chosen two times in a row. The names are sent to him and the driver is taken that day for testing. Ms.
669 Kohlmann was just making sure it was done and thanked Mr. Adair.

670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725

Ms. Kohlmann said on page 73 the bottom line shows \$14,500, but there is no explanation. Ms. Fellner said that was video recording that was deleted from the budget.

Ms. Kohlmann said on page 161 it shows that Grand Strand Water and Sewer is paid \$1.25 per account to handle the sanitation billing. She asked if this was something that could be handled by finance and billed quarterly or added to the tax bills. She was there was a reason for this; they pay the sanitation bill or they don't get water. Mayor Samples said that was right. Ms. Kohlmann said it behooves the town to pay this fee. She just wanted to make sure that was what it was.

Ms. Mabry said paying Grand Strand Water and Sewer was cheaper than hiring staff to manage the billing and collection. Ms. Kohlmann said right, she just wanted to make sure.

Ms. Kohlmann asked if the same IT person handled all of the town's work. Ms. Fellner said there is one IT provider.

Ms. Dodge said gift cards were given for birthdays, anniversaries, Christmas, Thanksgiving. Mayor Samples asked if that was so. Ms. Fellner said that was for a gift card at Thanksgiving.

Ms. Kohlmann said the total amount is \$3,600; each employee gets a \$30 gift card. They do not get them for birthdays.

Mayor Samples asked if that was acceptable.

Ms. Kohlmann said yes.

Mr. Smith asked if permanent part time employees also received \$30 cards. Ms. Fellner said yes.

Ms. Dodge said she did not want it to appear that she was trying to do something on the backs of the town employees, because the town has great employees, but the town does a lot for them. She was wondering if some of that could be cut, even though she did not have any suggestions. She suggested the funding for beach access cameras be deleted for now. She did not understand about replacing flooring in planning, building and zoning. Is it hazardous to walk on; is it slippery or what? Ms. Fellner said the floor had been stripped and re-stripped so many times that it is destroyed. So many contractors that come into the building have debris on their boots soiling the floor and the floor requires constant cleaning. The plan is to replace it with laminate flooring similar to what was done in the court, which is very inexpensive. The flooring has to be a product that can be cleaned easily. She said it looked really bad and she would be happy to show councilmembers, if they wanted to see it.

Ms. Fellner said the beach access cameras are being purchased with donated monies. Ms. Dodge said thank you.

Ms. Dodge asked if the insurances for all of the town buildings were let for bids; was there one company that is normally worked with. Ms. Fellner said primarily one company provides insurance. Ms. Dodge asked if other companies were contacted to compare prices.

Mayor Samples asked if the state provided insurance. Ms. King said the Municipal Association of South Carolina provides some insurance coverage. Ms. Fellner said other companies are used for things such as the pier. Mayor Samples said that was for general liability; not structural. He asked if car insurance was through the state. Ms. Fellner said yes.

Ms. Dodge moved to not hire any new employees unless repealed by Council. Mr. Stevens seconded.

Mr. Smith asked how many positions are currently open. Ms. Fellner said one in the police department. Mr. Smith understood there are 73 full time employees. Ms. Fellner said yes. Mr. Smith

726 asked if that included the open position. Ms. Fellner believed it was 74 with that open position. She
727 would confirm that information. Mr. Smith believed it was important to know current staffing, because he
728 did not want to eliminate a position. Mr. Smith moved to amend the motion that the head count for full
729 time employees does not exceed 74 and that the permanent part time positions that we current have do
730 not increase. Ms. Dodge seconded.

731
732 Ms. Kohlmann just wanted to make sure she had it right. The chief would not be told he could not
733 hire a police officer or if Mr. Adair loses two staff members, he can replace them, right? She did not want
734 to find out the town is down four police officers because of a hiring freeze. He needs to do what he's
735 gotta do to run the department, especially during this time of year. She asked if she understood correctly.
736

737 Mr. Smith said that was the reason for specifying head count instead of having a hiring freeze.
738 The head count cannot exceed 74 people. Mayor Samples said full time. Mr. Smith said full time.
739

740 Ms. Mabry said she did not want the police to lose two employees and public works to gain two
741 employees to meet the head count. She believed staffing should be considered closer and worded a little
742 better. She understood the reasoning and agreed, but when you say a head count you limit that, because
743 people could be switched around between departments. She preferred a limitation based on department.
744 Ms. Fellner asked if the limitation could be tied to the organizational chart. Ms. Mabry said maybe.
745

746 Mr. Smith said he would be glad to add that to the amendment. Mayor Samples asked that the
747 motion to amend and restate. Mr. Smith withdrew the motion to amend. Ms. Dodge withdrew the
748 second. Mr. Smith moved that the head count be fixed at 74 total permanent employees for the town, but
749 that each department is also limited to the current organizational chart in terms of employee count.
750

751 Ms. Kohlmann did not hear. Mr. Smith offered to restate the amendment.
752

753 Mayor Samples suggested before action was taken saying he believed he understood the intent
754 that before the amendment was restated that staff bring a report by category of employment, i.e., full time
755 regular, full time part time, and seasonal part time. The town's personnel policy manual clearly identifies
756 the employment categories. He believed council needed to be certain that the intent is captured and he
757 did not believe that could be done on the fly. He reiterated that the personnel manual should be reviewed
758 to determine employment types and staff needs to report to Town Council the number of employees in
759 each category so that council can then take the appropriate action. Ms. Fellner asked if numbers should
760 be tied to the departments. Mayor Samples believed that was fair, also.
761

762 Mr. Smith withdrew his amendment. Ms. Dodge withdrew her motion for now. Mayor Samples
763 said the matter will be revisited soon.
764

765 Mr. Stevens said on page 155 there might be a typo. There is a line that says DHEC MS4 Annual
766 Fee \$2K, CCU consortium of \$8K, Waccamaw Council of Governments \$1.5K, and Earthworks annual
767 report \$3.75K, that totals \$15,250, but the amount column shows \$31,875. Ms. King said the cost
768 amounts for the descriptions on line two just were left off. The amount is \$31,875 for everything on those
769 two lines. Mr. Stevens said the second line shows zero, which is why he asked the question. Ms. King
770 said that it was just an error and apologized.
771

772 Mayor Samples asked if there should be amounts by the second line information. Ms. King said
773 to be consistent that would be correct; all of those items together equal \$31,875. These pages are
774 retyped after the departments prepare their individual detail sheets, and it was just an oversight that the
775 amounts were not included. Mayor Samples asked how much work was sent to Earthworks. Mr. Adair
776 answered from the floor and the answer did not could record clearly...(**) jurisdictional determination,
777 DHEC service permit for a total of \$5 or \$6 thousand per year (**) and all that stuff comes out of there.
778

779 Ms. Mabry asked if any of the inspections and permitting work would be able to be done in house.
780 Mr. Adair answered from the floor and the answer did not could record clearly (**) MS4 permitting is
781 different from the stormwater inspections. Ms. Mabry asked if there was way to save money spent at

782 Earthworks. Ms. Morris said in her office any new construction or addition that requires a stormwater
783 permit, the stormwater plans are sent to Earthworks to review and send back to the town, and Earthworks
784 makes the inspections on the plan review. She just was certified in stormwater inspections, so she can
785 now make those inspections. The building official, Kevin Otte, is scheduled to take the stormwater plan
786 review test so he will be certified to review plans. Once that is done, those tasks will be performed in
787 house. Ms. Mabry said that should net the town a savings. Ms. Sabrina said yes, of about \$20,000.
788

789 Mr. Stevens asked since the stormwater millage is supposedly going to run out, and the town
790 does not have a stormwater millage, then will the town be able to fund the CCU volunteer water quality
791 monitoring system for two sites at a cost of \$7,000 each or a total \$14,000 a year.
792

793 Mayor Samples said those are allowable expenses under the general fund and perhaps some
794 hospitality funds if the water quality is tourist related, which he believed was part of keeping the beach up.
795 Just because the stormwater millage allocation was not adopted, water quality testing could be approved
796 through other funds and would continue.
797

798 Mr. Smith asked Ms. Fellner to determine whether water quality monitoring could be paid for with
799 hospitality funds. Mayor Samples said that was a good suggestion.
800

801 Ms. Mabry said the runoff definitely goes directly to the beach, which is her concern.
802

803 Ms. Fellner asked if it should be checked for this year or next year.
804

805 Mr. Smith said next year, but if there were funds available, also this year, another \$14,000.
806

807 Mayor Samples said that was a good suggestion.
808

809 Mr. Stevens referred to page 155, \$400,000 for phased drainage improvements and said he
810 assumed that money had already been allocated, but asked if that was something new. Ms. Fellner said
811 those funds were allocated.
812

813 Ms. Dodge said there is a line item for Tree City in the amount of \$7,600 and asked if the town is
814 required to participate. Mayor Samples said the requirement under the Tree City designation is that the
815 town budget money for the tree city. There is no requirement that it be spent. Mr. Adair said general at
816 least double that amount is spent on tree maintenance and things like that.
817

818 Mr. Stevens referred to page 153 and said he was familiar with the Beach Ball Classic, which is a
819 basketball tournament, and asked if it was related to Surfside Beach. He asked why the town funds
820 \$5,000 for advertising. Ms. Ellis explained that the advertisement goes in the tournament program. In
821 return for the purchase, the town receives tickets to the basketball games. Mr. Stevens asked if that was
822 a council perk that cost \$5,000. Ms. Ellis said there is no cost for the tickets; the ad cost \$5,000.
823

824 Ms. Mabry said the town has participated in this since the Beach Ball Classic was established.
825 The advertisement gets the town name out in the public and it is a large advertisement.
826

827 Mr. Stevens asked what benefit was received from it.
828

829 Ms. Mabry said it advertises the town.
830

831 Ms. Kohlmann said it is being a good neighbor and supporting sporting events.
832

833 Mr. Stevens asked if this actually paid for the councilmembers' tickets. Ms. Ellis said no. The
834 number of tickets received is based on the size of the advertisement. The funds support Socastee and
835 St. James High Schools. The ad includes the town's list of annual events.
836

837 Mr. Stevens asked if any accommodations tax revenue was received from the event. Ms. Fellner
838 did not know.
839

840 Mayor Samples asked if the advertisement was paid for with accommodations tax funds. Ms.
841 Ellis said yes. Mayor Samples said it must be tourist related. Ms. Ellis said the teams that get the
842 programs are from all over the United States. The players get their programs autographed and take them
843 home with them as souvenirs.
844

845 Mr. Stevens asked if any of the teams were solicited to stay in Surfside. Ms. Ellis said they
846 secure their own rooms. All the town does is purchase an advertisement just as any other business
847 would do.
848

849 Mr. Johnson moved to adjourn the workshop at 6:10 p.m. Ms. Mabry seconded. All voted in
850 favor. **MOTION CARRIED.**
851

852 Respectfully submitted,

853 
854

855 Debra E. Herrmann, CMC, Town Clerk
856

857 Approved: May 28, 2013

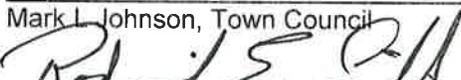
858 
859 Douglas F. Samples, Mayor

860 
861 Mary M. Mabry, Mayor Pro Tempore
862

863 
864 Ann Dodge, Town Council

865 
866 Mark L. Johnson, Town Council

867 
868 Elizabeth A. Kohlmann, Town Council

869 
870 Roderick E. Smith, Town Council

871 
872 Randle M. Stevens, Town Council

873 Clerk's Note: This document constitutes detailed summary minutes of the workshop, which was audio
874 taped. This meeting was transcribed by Town Clerk Herrmann. In accordance with FOIA, meeting notice
875 and the agenda were distributed to local media and interested parties. The agenda was posted on
876 bulletin boards outside Council Chambers and in the Town Hall reception area. Meeting notice was also
877 posted on the Town marquee. Public comments are transcribed as close to verbatim as possible. When
878 (**) is used, a section of the transcription is inaudible. Appointments to hear the audio tape may be
879 scheduled with the town clerk.
880
881
882
883
884
885
886
887
888
889
890
891