



**SURFSIDE BEACH BUDGET WORKSHOP MEETING**  
**COUNCIL CHAMBERS**  
**115 US HIGHWAY 17 NORTH, SURFSIDE BEACH, SC 29575**  
[www.surfsidebeach.org](http://www.surfsidebeach.org) - ☎ (843) 913-6111 📠 (843) 238-5432

**TOWN COUNCIL BUDGET WORKSHOP MINUTES**  
**WEDNESDAY, May 27, 2020 • 10:00AM**

1. **CALL TO ORDER.** Mayor Hellyer called the regular meeting to order at 10:00 am. Mayor Hellyer, Mayor Pro Tempore Scoles, Councilmembers Pellegrino, Drake, Dietrich, Holder, and Keating were in attendance. Others present Town Administrator Pieper, and Town Clerk Sheri Medina.
2. **BUSINESS – 2020-2021 MUNICIPAL BUDGET** Mr. Pieper stated much work went into this budget. We spoke with all the department heads throughout this process to find out their needs. This is a bare-bone budget. There are no tax increases, no wage increases, no COLA, and no capital expenditures. With the uncertainty of the future, we needed to cut as much as we could. Should things improve, we can go back in and make adjustments.

Councilmember Keating stated that our Police and Firemen are the lowest paid in the count. Is there a plan to bring them up to a higher standard? Mr. Pieper stated yes and that we have aggressively adjusted the police department wages and have given bonuses such as the take-home cars. We do have a plan in place for the Fire department. When the revenues are looking better, we can revisit that.

Director King stated all the things that were requested, firefighter increases, and the website has been taken out. This budget is just to keep the employees we have, not adding any more no raise until you look at it again in December. I cut all the revenues. Hoping next year, we get back to normal. The restaurants are half capacity. We only have two revenue sources, one in business license and Accommodation tax. Keep in mind the County controls the Accommodation tax. Last year expenditures are higher due to the fire truck. There are no increases in salaries and COLA. There is a decrease in employees. The retirement, the State said it would not go up the 1 percent this year. Councilmember Keating asked if the two positions not in the budget; would one be the planner position? Director King said no, they are two in the Police Department.

The most significant increase is in insurance. We have no capital expenditures. We are a tourist town. More and more residents are becoming permits, which means a lower tax base. The lease for the firetruck ends this year. Next year we would be able to add \$75,000 to the budget.

Taxes are our most substantial revenue. Permits and licenses are down and, of course, our parking revenue. We have given out over 3,000 parking decals. Some residents have asked for as many as eight stickers. This takes away from our parking revenue. Councilmember Drake asked if all vehicles are registered here. Director Kings stated yes, the resident has to prove that the car is registered in Surfside. Mayor Hellyer, we have been shut down for two months, can you tell me how much we have lost to see if in the next few months we can recoup [p it? Director King stated you would never get it back. With no accommodations tax money, and what we do get, we have to give the other half to the County.

Councilmember Pellegrino stated he has worked with Mrs. King for six and a half years. Her predictions are very conservative, and if we follow her lead, we will be fine. She is an asset.

52 Councilmember Keating asked how much revenue have we lost going into the next budget?  
53 Director King stated she cut \$400,000 out of the budget.  
54 Councilmember Holder stated he read that most when it comes to accommodations are saying it  
55 is down 70 to 80 percent. Councilmember Drake asked if we are checking with the motels to see  
56 what their plan is to bring people in town. Director King stated no because this budget was  
57 started in March. I may have cut too much, but in December, the budget can be revisited.  
58 Councilmember Scoles said we have to go on the worst-case scenario. Mr. Piepr stated we had to  
59 prepare a budget, and do to the uncertainty; we have to be conservative until we see how things  
60 go. Director King said she only put \$100,000 in the Pier budget due to the uncertainty of the  
61 revenues.  
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63 The property tax billing shows that the residents pay a low amount of taxes. We have had more  
64 visitors to become residents, which in turn makes our tax base lower. We need to decide what  
65 our direction is. The numbers from that County continually changes because people are  
66 becoming residents. If this continues, we are going to have to find other things to do for  
67 revenue. If you have a rental and have a family member living in it, we still pay the tax. We keep  
68 track of the rentals. Used to be that there were only three rental companies. Now there are many  
69 different avenues people can take to obtain a rental, and if owners are not forthcoming, it is lost  
70 revenue because a business license was not purchased.  
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72 Department request and proposals:  
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74 **Personnel- Administration, Court, Finance, Facilities, Building, Events**

- 75 ○ Reduction in Force - Senior Accountant, Reception, part-time, Laborer

76 **Operations**

- 77 ○ No tax Increase
- 78 ○ Increase \$5,000

79 **Capital**

- 80 ○ None
- 81 ○ Salary & Benefits Reductions (All Departments)
- 82 ○ Decrease \$361,000

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84 **Police Department**

- 85 ○ Personnel
- 86 ○ Reduction in Force – 2 Transport

87 **Operations**

- 88 ○ Increase \$27,000 Insurance

89 **Capital**

- 90 ○ None

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92 **Fire Department**

93 **Personnel**

- 94 ○ No changes in Staffing

95 **Operations**

- 96 ○ Decrease of \$300

97 **Capital**

- 98 ○ None
- 99 ○ Final Year of Fire Truck Lease \$76,000

100 Mayor Hellyer stated since this is the last year on the firetruck, how long until we have to  
101 purchase a new truck. Director Adair stated they usually have an ISO rating of 25 years. Mayor  
102 Hellyer said, so we are looking at maybe 10 years of putting \$75,000 back in the budget.  
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**Public Works**

Personnel

- o No Changes in Staffing

Operations

- o Increase of \$44,000 (Streetlight Cost)

Capital

- o None

Director Adair stated that with the work being done on Hwy 17, the street lights are being upgraded. The rental fee is higher. There will be 41 ornamental lights. They are very nice. We rent all the lights in town from Santee Cooper. However, we do not pay for electricity. Only safety lights requested by homeowners we do not pay, the homeowner does. Santee Cooper maintains these lights, except for the masts. Should a truck hit one; we have to repair it. Mr. Adair stated that these lights are approximately 250 feet apart. Councilmember Scoles asked about the utility poles. Mr. Adair stated, it is two different things. Mr. Adair stated that if a resident requests a safety light, Santee Cooper will install one, and they will have to pay for it. If there is already a pole, they will only be paying for the light. Should they have to install a pole, the resident will pay for that also.

**Non-Departmental**

Operations

- o Increase of \$22,600 (Stormwater Fee Town Properties, & IT)
- o Facade Grant decreases to \$25,000, originally \$50,00, but was cut.

Capital

- o None

**Fund Balance**

- o Disaster Recovery – (Hurricanes)
- o Capital replacement – (Equipment)
- o Land Meters – (Parking Meter Revenue)

Line Item	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Projected	6/30/2021 Proposed
Disaster Recovery	\$ 800,000	\$ 800,000	\$ 1,200,000	\$ 1,200,000
Capital Replacement	784,717	664,775	488,525	693,525
Land Meters	512,549	666,655	154,525	283,925
<b>Total Assigned Fund Balance</b>	<b>\$ 2,097,266</b>	<b>\$ 2,131,430</b>	<b>\$ 1,843,050</b>	<b>\$ 2,177,450</b>

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Director King stated that the sanitation fund takes care of itself. Without knowing how long this was going to last, I cut it a lot because, without the commercial service and the rollout service, the revenues would be down. If people were not going to rent, they would not be utilizing the summer services. The solid waste fees have gone up. Councilmember Holder asked Director Adair if he sees the business' dumpster service coming back. Director Adair stated, yes. He also stated that residential zones are generating the most. The R-3 has been the highest in five years.

**Accommodations**

Director King stated that she put \$600,000 in the Accommodations account. The State uses the Robin hood Clause. They take the funds from the Municipality to give to others. We cut events drastically. The line for the Chamber of Commerce is lower because we are not taking in any revenues, and that is what generates the number that we have to give them. I am glad that we have the save money from canceling on the 4<sup>th</sup> of July.

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**Hospitality**

This fund is just restaurants, not hotels. Half the funds go to the County. There is a \$20,000 grant for the bathrooms at Martin Field. Hospitality has been cut down to nothing. We budgeted money for the Pier, but we have to see how things go. Local accommodations are for rentals and hotels. That was also cut.

Director King stated the Capital Projects fund is for repaving streets using Horry County road fees and CTC reimbursement. County road fees are up in the air. There is \$400,00 in the budget for road paving. This is a self-sustaining fund.

**Beach Re-Nourishment**

We were putting money away for the Beach re-nourishment fund. We got action from the Council to defer it for two years. That money would go to the Pier. There is \$ 657,000 in that fund. We will have a million dollars by the time it is time to pay it.

**Proposed Storm Water Utility Fund**

All residents pay approximately \$80.00. We should be getting the same amount of funds this year. We are receiving a \$500,000 grant to repair the bridge. The entire project will cost approximately \$900,000. Councilmember Pellegrino thanked Mr. Adair for applying for grants to fund this project.

**Pier Fund**

Director King stated we have \$400,000 in the Pier fund. When you start the Pier, you have to write off the assets. The A Tax number is \$75,000. All I have is \$100,000 for Haggerty and Collins. Again in December, the budget will have to be reviewed.

Councilmember Pellegrino asked if the budget will be maintained at 2.5 million. Director stated hopefully.

Councilmember Pellegrino stated the administration did a great job on the budget. He also stated that there are 2 significant opportunities to cut. There is much money spent in the fire department because of the ISO. We would not have had to buy a new fire truck if it weren't for them, in a conversation with Chief Hofmann, seasonal Police. All the training that is needed even for seasonal employees is another substantial place cuts can be made. Great job by the staff because for us to maintain with the situation we have, great job. Councilmember Keating asked Councilmember Pellegrino what is an ongoing expense for ISO. The change in rating makes a difference. If this is a benefit, we should keep it. Councilmember Keating stated for this year we have already cut all capital in those funds. Director Kings stated there is a rumor that we are going to turn the Fire Department over to the County. Should that happen, the residents would have to pay 22 mils to the County for fire service. That would be an automatic tax increase.

Councilmember Pellegrino stated that would make o  
Councilmember Scoles thanked the staff for a great job on the budget. Mr. Pieper stated that everyone worked together. They knew there were cuts to be made and did not complain. If things change, we will come back to Council for consideration.

3. **ADJOURNMENT.** The mayor adjourned the meeting at 11:08 am.

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## Surfside Beach Town Council

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Robert Hellyer, Mayor

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David L. Pellegrino, Town Council

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Bruce H. Dietrich, Town Council

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Cindy Keating, Town Council

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Michael Drake, Town Council

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Debbie Scoles, Mayor Pro Tempore

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Paul Holder, Town Council

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Sheri L Medina  
Town Clerk

Clerk's Note: This document constitutes summary minutes of the meeting that was digitally recorded, and is not intended to be a complete transcript. Appointments to hear recordings may be made with the town clerk; a free copy of the audio will be given to you, provided you bring a new, unopened flash drive.

In accordance with FOIA §30-4-80(A) and (E), meeting notice and the agenda were distributed to local media and interested parties via the town's email subscription list. The agenda was posted on the entry door at Town Council Chambers. Meeting notice was also posted on the town website at [www.surfsidebeach.org](http://www.surfsidebeach.org) and the town's LED marquee.