

June 2, 2014

A Special Meeting of Town Council was held on the above date at 6:00 pm at Town Hall, all requirements of the Freedom of Information Act having been satisfied.

Present were: Mike Perkis, Mayor  
Jerry Kaynard, Mayor Pro-tem  
Chauncey Clark, Councilman  
Susan Middaugh, Councilwoman  
Patrick O'Neil, Councilman  
Mary Jane Watson, Councilwoman

Mayor Perkis called the meeting to order at 6:00 pm and stated the press and public had been notified in accordance with State law. The purpose of the meeting was for the public hearing of the General Fund budget and Water & Sewer budget for fiscal year 2015; as well as two ordinances regarding town-owned real estate.

**Motion was made by Councilman Kaynard, seconded by Councilman O'Neil, to have First Reading of Ordinance 2014-06, An Ordinance to Amend Section 2-60 Regarding Sale of Town-owned Real Estate.** Administrator Benke stated the State statute requires an action of Council to sell property of the Town. At the Town level, the ordinance says that Council would list property to sell by sealed bid or public auction; or if those two were not to the satisfaction of Council, the third option was to list the property with a real estate agent. This ordinance 2014-06 allows Council to have three options for selling Town-owned real estate: sealed bid, public auction, or listing with a real estate agent. **Motion carried unanimously.**

**Motion was made by Councilman O'Neil, seconded by Councilman Kaynard, to have First Reading of Ordinance 2014-07, An Ordinance for the Sale of Lots 10 and 11.** Councilman O'Neil stated the Town had three lots listed for sale in order to generate income for capital needs such as the new Town Hall and new fire truck. One of those properties located on Middle Street across from the old Town Hall was purchased and closed in April. The other two lots – marsh front on Raven – are still for sale. The lots in this ordinance 2014-07, Lots 10 and 11, could be more appealing to a broader range of potential buyers. The lots are on Middle Street seaward side, and they back up to l'on lots. **Motion carried unanimously.**

The third item on the agenda was the public hearing on the General Fund budget. Comptroller Blanton gave an overview of the General Fund for fiscal year 2015 budget. The revenue is \$4,230,000 and the expenses are \$4,418,000. The shortage will be made up by reserve funds generated this year. Most of the overage is due to the tennis courts at \$130,000 (it was budgeted for FY2014 but will be spent in FY2015); \$77,000 for the Town's matching portion of 25% for the purchase of a new rescue boat (grant received for 75%), and \$15,000 for payment on a lease purchase agreement to replace the 14 air packs for the firefighters.

Mayor Perkis stated the revenue budget included a cost of living increase for employees that would be covered by a 0.9 mil increase to the residents. That would translate to about \$55 per year to a homeowner's primary residence appraised at \$1.2 million. Councilman Kaynard reminded the audience that the new Town Hall costs and the debt service were not included because this was the operating budget. Councilwoman Watson stated it appeared that the Island Club would break their lease with the Town in July. The Town owns the property; however, for the Town to operate recreation activities to all residents, it would require \$5,000 for annual utilities in the Recreation budget and \$17,500 salary for a part-time recreation position who would handle bookings and recreation events. Another \$17,500 salary for the front-desk help in the Administration budget would also be needed. The expenses should be offset by the miscellaneous income from the club rental. Mayor Perkis stated if residents had further questions to please contact Comptroller Jason Blanton.

The next item on the agenda was the public hearing on the Water and Sewer budget for fiscal year 2015. Water and Sewer Manager Greg Gress gave an overview of the budget. The water and sewer rates will have a modest increase. Major items that affect the increase are capital for the I&I (inflow and infiltration) project; replacement of trucks; and sandblasting and painting the clarifiers. The combined water and sewer increase is a 7.1% increase on an average water bill of 6,000 gallons. Councilwoman Middaugh stated that the sewer and water systems are aging, as in other nearby communities. The Mt. Pleasant Waterworks Commission has a 10% increase this year. She continued that the older infrastructure is costly to operate and maintain, so as the Town updates the sewer plant, expenses should go down. For example, when the new I&I project is complete, electricity use at the plant will decrease an estimated 20%. Manager Gress reported that water usage has decreased; and that the new Sullivan's Island Elementary School usage was factored back into the budget this year.

Councilman Kaynard stated the Water and Sewer Committee has been looking for other sources of revenue. Recently he read that Mount Pleasant entered into an agreement with an insurance company who is selling private line insurance to homeowners, for the line from the town system to the house. By entering into this agreement, the Mount Pleasant Water and Sewer Commission received a \$125,000 advance payment from the insurer, and will receive a percentage of the collected fees from the insurance company. He stated this might be a potential source of revenue to research.

Mayor Perkis stated if anyone has any questions about the General or Water & Sewer budgets between now and June 17<sup>th</sup> when the budget will be adopted, please call Comptroller Blanton or Water & Sewer Manager Gress.

**Motion was made by Councilwoman Watson, seconded by Councilman Kaynard, to adjourn at 6:23 p.m., carried unanimously.**

Council then proceeded with the regularly scheduled Council Workshop.

Respectfully submitted,



Ellen Miller