

MINUTES
PAWLEYS ISLAND COUNCIL MEETING

DATE/PLACE: January 14, 2019
 Pawleys Island Chapel

PRESENT: Mayor Jimmy Braswell, Ashley Carter, Guerry Green & Sarah Zimmerman

ABSENT: Rocky Holliday

WORK SESSION AGENDA

1. Local Business License – Scott Slaten, the Legislative and Public Policy Advocate and Charlie Barrineau, Field Services Manager, from the Municipal Association of So. Carolina, gave an overview of regarding local business licensing. Local business tax dates back to 1872 and was a way to raise revenue. It is an excise tax that is levied for the privilege to do business in the town. It is not an income tax. Cities and towns are authorized under S.C. law section 5-7-30 to levy a business license tax and counties are authorized under S.C. law section 4-9-30. Cities and towns have a right to levy business tax on gross income with a few exceptions. The MASC has developed an ordinance to clarify and consistency in how to apply business tax across the state. Typically, the collection programs and the local business license tax across the state represents on average 25% to 50% of a general fund revenue. The disparity is due to elected officials and the residents of cities and towns as to how they want to pay for services. In cities that have no millage property tax, they rely more heavily on business license taxes which makes up to close to 50% their revenue. Where cities and towns that have a more balanced stream of revenue, the business license tax is closer to 30%. The 3 legs of revenue for municipalities is property taxes, business license taxes and state shared revenues. Over the last 10 years the local government fund which is the only state shared revenue that we get consistently, has been shrinking so cities and towns are forced to look for other sources for revenue. The enforcement of a business tax license should be done as easily as possible and should be consistent and done fairly by the business license officials. Training for this is done by MASC. Typically, a business pays a base rate up to the first \$2,000 of their gross revenue/income then pay less than \$1.00 rate per \$1,000 after that. MASC feels strongly for cities and towns to adopt their model business license ordinance. Council would need to adopt the ordinance and set the rates to determine how much revenue we would need to collect. The town would need someone on staff to be the business license expert. It would require a business license software and a record keeping process.

REGULAR MEETING

PUBLIC COMMENT:

Nancy Crawford stated that she started a new project called Pawleys Rocks. It is a group of volunteers who get together at the public library and paint rocks with different things on them such as turtles, ducks, sea horses and on July 4th they paint flags, they paint kindness rocks with hearts, etc. They are not sold but they are just placed in various areas for people to look at or maybe vacationers may take them with them and place them in hopefully an area where people can enjoy them and see that they are from Pawleys Island and hopefully they are replaced with another painted rock. The idea behind it is to spread friendship. They would like to create a rock garden somewhere at the Town Hall.

Mary Nash stated that the property at 383 Myrtle Avenue is an eyesore and wanted to know if there is something that can be done about it. The owners have been talked to about renovating the house and they said they were going to start around Labor Day then we had hurricane Florence, but they still haven't done anything. Guerry Green felt that a call to the family would probably get them moving on cleaning up that property.

RESOLUTION 2019-01 A RESOLUTION BY THE PAWLEYS ISLAND TOWN COUNCIL AUTHORIZING A 4.5% INCREASE TO CURRENT POLICE DEPARTMENT SALARIES TO BE EFFECTIVE JANUARY 1, 2019: **Sarah Zimmerman made a motion to approve 4.5% increase to current police department salaries to be effective January 1, 2019. Ashley Carter seconded. All in favor.**

AUTHORIZE THE TOWN ADMINISTRATOR TO EXECUTE PROJECT PARTNERSHIP AGREEMENT (PPA) BETWEEN THE DEPARTMENT OF THE ARMY AND THE TOWN OF PAWLEYS ISLAND FOR THE PAWLEYS ISLAND COASTAL STORM RISK MANAGEMENT PROJECT: Ryan Fabbri stated that this is the agreement the Corps of Engineers needs for us to move forward with designing and implementing our project. We will pay 35% of the costs and they will pay 65%. We will finance the entire amount up front for 30 years. The periodic renourishments that we will do every 9 years will be a 50/50 cost share. It has been reviewed by our Town Attorney. **Sarah Zimmerman made a motion to approve giving the Town Administrator the authorization to execute the Project Partnership Agreement (PPA) between the Department of the Army and the Town of Pawleys Island for the Pawleys Island Coastal Storm Risk Management Project. Ashley Carter seconded. All in favor.**

ACCOMMODATIONS TAX COMMITTEE

- a. Reappoint Bill Caughman to Accommodations Tax Committee for a Two-Year Term which will expire on January 09, 2021. **Sarah Zimmerman made a motion to approve Bill Caughman reappointment to the Accommodations Tax Committee for a two-year term to expire on January 09, 2021. Ashley Carter seconded. All in favor.**

NEW TOWN HALL REPORT:

- a. Review Project Finances – Ryan Fabbri stated that nothing has changed since last month except for the change order #17 which is for the removal of the old Town Hall trailer move all the temporary lines from the trailer. Also, emergency lighting had been added.
- b. Approve Change Order #17 in the amount of \$7,634.12 – **Sarah Zimmerman made a motion to approve change order #17. Ashley Carter seconded. All in favor.**
- c. Approve Payment of \$72,763.13 to BEC Construction – **Sarah Zimmerman made a motion to approve payment to BEC Construction for \$72,763.13. Guerry Green seconded. All in favor.**
- d. Furniture Delivery – Ryan Fabbri stated that the conference room furniture will be delivered the next day so council meetings will be in the new Town Hall conference room starting with the February meeting. Bob Wilkes is providing the cabinetry and counters for the police department to be installed the week of 1/22/19 and the furniture for the Chief and the Town Administrator will be delivered on 1/28/19.
- e. Exterior Lighting – Ryan Fabbri stated that there is a change order from the electrician because there was a concern that the new Town Hall lights are on 24/7. The way the lighting is currently designed is that there is no way to turn them off. They are on a sensor that turns them on at night and they go off during the day.

The least expensive solution is to separate the top floor exterior lights from the bottom lights so the top floor lights are on a timer so they will go on at night and go off at a certain time and just the bottom floor lights are on all night. The cost for this is \$1,700.00. Chief Fanning asked to allow the back lighting to be put on a sensor so they could have that area lighted all night. **Sarah Zimmerman made a motion to approve up to \$2,000 for electrical work. Ashley Carter seconded. All in favor.**

DISCUSSION ABOUT ADOPTING BUSINESS LICENSE

Mayor Braswell stated that this is not a subject anybody wants to discuss but we are trying to find a method to fund the Town. For well over 20 years we have been able to operate on the accommodations tax, but we are now starting to run in the negative and we need to start looking at other means to bring in revenue. Ryan Fabbri stated that if we set the rate at what most of the other coastal communities do and go somewhere on the low end and set a rate of \$75 for the first \$2,000 then \$2.50 for every \$1,000 thereafter, if a property owner makes \$40,000 on rentals for a year, their business license will cost \$151.00. So, for every property owner that rents out their property each year, based on these rates, the Town would generate \$61,700 per year. What the Town would need to stay in the black would be approximately \$120,000 per year. A comment was made that charging a business license to just the renters is unfair as the people who do not rent their home benefit by the same goods and services as the people who are renting. A property tax would be the most equitable way to generate revenue. We won't be able to charge enough on a local business license to cover the deficit which will continue to grow. A suggestion was made to send out to the property owners a survey/questionnaire similar to the underground wire project survey to make property owners aware of options to generate revenue for the Town. A town meeting will be scheduled for further discussion on various options to generate revenue for the Town for possibly Saturday on Easter weekend at 9:00 a.m.

1. We will look at what is involved in having a millage tax for the Town.
2. We will have a committee to look at different ways to generate revenue.
3. Put out a survey to inform property owners information about options to generate revenue.
4. Will have a Town Meeting on Saturday, April 20, 2019 at 9:00 a.m. of Easter weekend.

POLICE REPORT

Chief Fanning reviewed the December 2018 police report. (See Attached)

BUILDING REPORT

There were 2 permits in December.

FINANCIAL REPORT

Local A-tax was up 4% and State A-tax was down 4% - Ryan Fabbri will look into why that is. We received almost \$16,000 in grant funds that was not budgeted. We didn't get the \$220,000 we were expecting from FEMA after Hurricane Irma but in all we were still \$259,000 in revenue more than what we budgeted. Expenses were \$200,000 less than budgeted.

ADMINISTRATORS REPORT

- a. Army Corps of Engineers Pawleys Island Storm Damage Reduction Project- Ryan Fabbri stated that we just established the easement line and the surveyor is putting it on

individual plats and we will send a complete easement to the Corps and hope it has everything they need. The job should be put out to bid in July and hopefully we'll be ready to start in November.

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b. Groin Repair Project – Ryan Fabbri provided PRT with the calculation of all the groin work in the public area. The total project costs \$371,000 - \$226,566 is in the public area and PRT will pay 50% of that.

COMMENTS BY COUNCIL MEMBERS

Sarah Zimmerman made a motion to adjourn. Ashley Carter seconded. All in favor.

APPROVED

DATE

ATTEST

DATE

