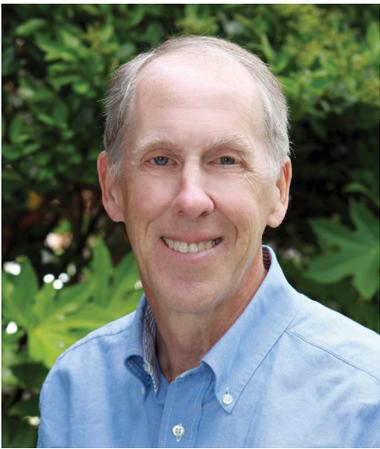


# Mayor's Corner



COVID-19 has caused havoc to our national economy and introduced a great deal of uncertainty into the budgets of state and local governments. The Town is no exception because Kiawah's local economic activity generates most of our revenue. The

budget just passed by the Town Council anticipates a \$2.6 million reduction in revenue for the upcoming 2020-21 fiscal year. This is on top of a \$1.0 million shortfall experienced for the fiscal year that just ended.

The Town's budget is based on a very conservative view for the year, greatly influenced by the uncertainty from COVID-19. If the recent resurgence of tourism continues throughout the year, we may see better revenues than anticipated.

Property owners often have misperceptions about where their taxes go and where the Town's revenues originate. The majority of the Town's operating revenue stems from two sources. Business license fees levied on businesses doing business on the island, and fees for major construction activities that require a building permit. These latter revenues were reduced in 2018 when the Town eliminated many of its building permit requirements.

The other significant revenue source for the Town is its share of accommodation taxes levied by the State, County, and Town on overnight lodging stays and restaurant and beverage sales. By law, these revenues may only be used to fund programs that promote or support tourism and cannot be used to fund the Town's day-to-day operations. A portion of these monies are disbursed back to the Resort, Freshfields, and Charleston Visitors Bureau, and the remainder supports the Town's tourism-related costs, such as beach patrol and law enforcement. The Town's remaining income flows from several smaller sources, including franchise fees and solid waste fees for back door trash pickup and rentals.

Missing from the Town's revenue sources are property taxes. The Town does not impose or collect a property tax. The tax property owners pay each year is assessed by Charleston County and funds the County, school district, fire district, county parks, and Trident College. As I am often reminded, non-resident property owners pay a higher property tax. That provision of our tax

law was created by the State, benefits the entities just described, but provides no benefit or additional funds to the Town.

On a different subject, the remainder of this "Mayor's Corner" is a recruiting message. Our Town election is Tuesday, December 2. That's a long way off, but candidates for this office and Town Council must file for the office by October 2, only a few months away. Having spent the past six years on the Town Council, four of those as Mayor, I will not be a candidate this fall. Kiawah Island will need one or more candidates for Mayor on the ballot.

Having experience with local government would help a new mayor get off to a faster start, but it isn't the most important requirement. A strong interest and commitment to the community is. The Town has a very capable staff led by an excellent town administrator. If a majority of current Council members continue for another term, our new Mayor will have good support and time to transition into the job.

What exactly is the job? Kiawah operates under the "strong mayor" form of government. As Mayor, you lead the Town Council, set the Town's agenda, and have the responsibility, with the Town Administrator and staff, for the Town's operations and services. The Mayor also represents the Town publicly and on external boards and organizations. The Town Council as a whole (Mayor and four council members) has the responsibility to enact the Town's policies and laws and pass the Town's budget. In corporate-speak, you are the Town's CEO.

I am certain we have many in the community who could serve well in this role, particularly residents currently or formerly serving on Town Council, Town committees, and other community organizations. I would be happy to discuss the role further with anyone interested in it and can be reached by email at [cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org).

Lastly, as I write this COVID-19 remains a serious concern throughout the State and Charleston area. Please continue to social distance, use a face-covering whenever required and wherever social distancing is difficult, and, most importantly, be courteous and conscious of your responsibility to your own safety and those around you.

*Craig Weaver*