

Ways and Means Committee
5:45 p.m., Tuesday, October 16, 2007
Isle of Palms, South Carolina

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, October 16, 2007 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present were Chairman Dee Taylor, Council members Bettelli, Buckhannon, Cronin, Hanbury, Marino, McMackin, Rice and Mayor Sottile, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. There was a quorum present to conduct business.

1. Call to Order. Chairman Taylor called the meeting to order and announced that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Councilwoman Rice moved for the approval of the minutes of the regular meeting on September 18, 2007 as presented; Councilman Bettelli seconded and the motion PASSES UNANIMOUSLY.

3. Citizens' Comments. None

4. Financial Statement – Treasurer Suggs

Treasurer Suggs noted that the City is twenty-five percent (25%) through the fiscal year and, as in years past, revenues were well below budget. The first quarter is a traditionally low revenue month; property taxes will produce a turnaround in the second quarter of the fiscal year. As a result of the Court audit, Treasurer Suggs has created a new fund and opened a new bank account for Victims' Assistance Funds of nearly \$111,000. The fund increases each month from Court assessments.

Mayor Sottile reminded those present that the Beach Renourishment Fund was budgeted for \$223,000 for Fiscal 2007-08; he stated that it was Council's intention to increase that fund each budget year.

The Treasurer explained the new Quarterly Update as a report that compared actual to actual rather than actual to budget as the monthly financial statement did. Chairman Taylor said he thought the comparison between years of the same timeframe most interesting. In response to Councilwoman Rice's question of what made up "Other Revenue," the Treasurer answered that the largest revenue sources were parking meters and parking lots, but also included are courts and recreation.

In reviewing the Fire Station Worksheet, Treasurer Suggs stated that there were bond proceeds in the amount of \$891,734 remaining, but Administrator Tucker was quick to

state that all of the invoices had not yet been received. Treasurer Suggs did comment that she expected there to be bond proceeds remaining to make the first payment. Committee members were also informed that some expenses for the Public Safety Complex appeared on the Fire Station #2 Worksheet, but the fund would be reimbursed from the bond proceeds for the complex since the City Council has passed the reimbursement resolution.

Administrator Tucker reviewed the monthly summary of hospitality tax revenues for the Committee. She explained the difference between the two years as one where a significant entity paid late; she has asked Rhonda Gibbons in the Building Department to determine what the monthly total actually was, as well as what constituted the difference in the number of payees.

Administrator Tucker announced that the City's auditors had completed their initial work and, as expected, the City ended the year with a surplus of \$667,000. There must be an action by the Ways and Means Committee and City Council to move the money forward to a fund. Since there have been major expenditures from the Capital Projects Fund, both the Treasurer and the City Administrator recommended that the surplus be placed there. Councilman Taylor commented that this could be a temporary placement of the funds, but the auditors prefer to reflect the use of the surplus in their final report.

MOTION: Councilman Bettelli moved that the surplus from the 2006-2007 fiscal year be placed in the Capital Projects Fund; Councilman Buckhannon seconded.

Councilman Cronin asked if the City would look more appealing to bond issuers if the funds were in the Capital Projects Fund as opposed to another; Treasurer Suggs responded that a good analyst would understand to group all unrestricted funds. Councilman Taylor expressed his feeling that the funds would stand out more if in the Capital Projects Funds as opposed to the General Fund.

Mayor Sottile expressed his feeling that funds should be added to the Disaster Recover Fund; if the recommendation were to be not to inject a portion of this surplus into that fund, he stated that he was interested in hearing the reasoning behind such a recommendation. He strongly felt that the Disaster Recovery Fund should have a two million dollar balance. Administrator Tucker agreed that the fund needed to be healthier, but the action recommended tonight was simply to close the books; since the Capital Projects Fund and the Disaster Recovery Fund are both unrestricted, funds could be moved at a later date after Council has had an opportunity to discuss a final disposition of the surplus.

The motion on the moving of the surplus funds to the Capital Projects Fund PASSED UNANIMOUSLY.

5. Old Business

A. Update on Marina Leases

Administrator Tucker referred the Committee members to page 52 of the financial statement through September and pointed out that the marina management lease has been brought to a current status. The restaurant was current with the exception of two (2) solid waste invoices and the additional rent amount due from closing out June 2007.

The City will be accepting proposals on the marina store until October 25.

B. "A Taste of the Islands" Cost to the City

The Administrator directed the Committee to information provided by the City showing the employees who worked the event, associated wages paid and the cost of the Ferris wheel and to information provided by the Sullivan's Island Elementary School PTA indicating their expenses, revenue and the use of the proceeds for the children.

6. New Business

A. Public Works Committee Recommendation to Approve the Extension for five (5) years at no increase in price the contract for beach trash pickup to Schupp Enterprises, Inc. as a one qualified sole source provider.

Administrator Tucker noted that over the years, the scope of work has increased to include the front beach, 3rd Avenue to Breach Inlet and the north end of the island.

MOTION: Councilman Bettelli moved to approve the contract extension for five (5) years at no increased in price to Schupp Enterprises as a one qualified sole source provider for beach trash pickup; Councilman Marino seconded and the motion PASSED UNANIMOUSLY.

Councilwoman McMackin related that she has a neighbor who was offering to pay for recycling bins for the City to begin a recycling project at the beach. Councilman Bettelli responded that the Public Works Committee has discussed recycling in the past; the recurring problem was the separation of the materials since there would always be non-recyclable items in the bins. Folly Beach was reported to have tried it, but had been forced to abandon recycling because separating the materials was being done by hand.

B. Public Safety Recommendation to Approve the Commitment to Charleston County to the cut over to digital radios between May 31

and July 31, 2008 in order to take advantage of cost saving incentives.

MOTION: Councilman Marino moved to approve the commitment to Charleston County to the switch from analog to digital radios between May 16 and July 31, 2008; Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY.

C. Award of Municipal Lease Financing to BB&T Governmental Finance for Lease/Purchase of Mack Garbage Truck.

MOTION: Councilman Bettelli moved to award a municipal lease to BB&T, who submitted the lowest bid, for a Mack Garbage Truck; Councilman Marino seconded.

Administrator Tucker reminded the Committee that the passage of this motion would generate an ordinance for the coming City Council meeting.

The motion to award the lease financing to BB&T PASSED UNANIMOUSLY.

From the Real Property Committee, Councilman Bettelli informed the Ways and Means members that there would be an expenditure in the neighborhood of twelve thousand dollars (\$12,000) to pay for the materials to resurface a portion of the marina roads.

7. Miscellaneous

The next meeting was scheduled for 5:45 p.m., Tuesday, November 20, 2007. Councilman Marino reminded the Committee that, if the election should produce a runoff, it would occur on Tuesday, November 20; therefore, the meeting would have to be re-located.

Mayor Sottile noted that there will be a special meeting of City Council on Tuesday, November 13 to hear the recommendations of the Long Term Beach Management Committee.

MOTION: With no further business to come before the Ways and Means Committee, Councilman Bettelli moved to adjourn at 6:25 p.m.; Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Dee Taylor, Chairman