

Ways and Means Committee
5:00 p.m., Tuesday, February 20, 2018

The regular meeting of the Ways and Means Committee was held at 5:00 p.m., Tuesday, February 20, 2018 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bell, Buckhannon, Ferencz, Kinghorn, Moye, Rice and Smith, Chair Ward, Mayor Carroll, Administrator Tucker, Treasurer Suggs, Assistant Administrator Fragoso and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Approval of Previous Meeting's Minutes**

MOTION: Mayor Carroll moved to approve the minutes of the regular meeting of January 23, 2018 as submitted; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments**

Liz McMillen, 1010 Ocean Boulevard, appealed to the Committee to eliminate vehicular parking on the ocean-side of Ocean Boulevard between J.C. Long and Pavilion and for the area to become loading zones for active deliveries to the eleven (11) restaurants and shops at Front Beach. This action would remove thirteen (13) parking spaces. She stated that, when the existing delivery spaces were filled, drivers stopped in the driving lane to unload their delivery, backing up traffic. She distributed a sketch of her proposal, and a copy is attached to the historical record of the meeting.

Chair Ward stated that her suggestion would be discussed at the March Public Safety Committee meeting at 4:00 p.m., March 5th in the City Hall Conference Room.

Joe Petro, owner of Coconut Joes and Island Joes, requested that the City consider a two (2) tiered parking fee structure for the municipal parking lots as opposed to the full day rate of ten dollars (\$10) currently charged. He suggested having an hourly rate between the hours of 8:00 a.m. and 6:00 p.m. as well as a full day rate.

Elizabeth Campsen, 32 Intracoastal Court, spoke to the Committee about a more resident-friendly summary of the City's finances, the use of State ATAX funds for beach renourishment, a more equitable disbursement of Beach Preservation Fee funds and her opposition to the ATM proposal for permitting for marina docks replacement. A copy of the full text of her comments is attached to the historical record of the meeting.

Ted McKnight of 2 Shad Roe stated that he found the article in *The Post and Courier* to be "somewhat hostile" toward the City for considering charging visitors to park on Palm Boulevard. As a short-term rental owner on the island, he stated that he pays large taxes and fees to the City every year, and what visitors would pay to park was miniscule in comparison. He noted that he had spoken to the Public Safety Committee at the June 2017 meeting about a safety issue at the 54/55 beach access path; he had stated that the right-of-way was too narrow to allow vehicles to

park four feet (4 ft.) from the road and that large SUVs completely eliminated a proper line of sight for pedestrians crossing the street, making it a public safety hazard.

Sarah Parker-Daniel, Oak Harbor Boulevard, recommended an on-line parking system that would allow visitors to the beach to book a parking space before they come to the island; she opined that such a system might eliminate lines on the Connector.

Ron Cooper, 9 – 32nd Avenue, stated that he has lived in other areas where one (1) had to pay for the services they receive, including parking; therefore, he thought it reasonable for the City to have a mechanism to pay for parking and to inform off-island beach-goers whether parking was available on the island. He described an app he was familiar with that allows the user to pay for parking and to extend parking time on-line; he opined that this app was easy, simple, fast and painless.

Bill Campbell, 34 – 42nd Avenue, stated that he has been away from the island for a month and missed the Citizen Forums held earlier in the month; he recommended that the City have only the minimum number of parking spaces required by law. He added that all parking should be in the municipal lots; the City should not allow parking on the streets by non-residents other than those visiting island residents or renting; the parking restrictions should be in place all year and the City should not allow parking on grass or lawns.

Administrator Tucker informed those present that a link was posted to the City's website to allow residents who were unable to attend the Citizen Forums to add their input for City Council to consider at the upcoming visioning meetings.

MOTION: Mayor Carroll moved to re-order the Agenda to address Item F under New Business, Discussion of Amendments to the Managed Beach Parking, such as requiring payment to park on Palm Boulevard; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.

6. New Business

F. Discussion of Amendments to the Managed Beach Parking, such as requiring payment to park on Palm Boulevard

Councilmember Smith stated that she strongly supported pay-to-park; she reported that she has talked with a sales representative for a pay-to-park app who indicated that it would not require a large upfront infrastructure cost and serve the island's needs. For her, the primary concerns about parking on Palm Boulevard were safety for islanders and visitors, getting a better traffic flow and, possibly, reducing the traffic. The free parking on Palm drives visitors there rather than to the municipal parking lots.

Councilmember Bell asked what the problems were: Was it a safety issue? Was Council trying to reduce the number of visitors coming to the island? Was Council trying to promote the Front Beach businesses? He said that he saw the parking issues as one (1) big organism, and one (1) possible solution to parking on Palm would be to limit Palm to parallel parking on one (1) side of the street or to allow only parallel parking on both sides of the street. Without proper understanding, that would lead to visitors in the neighborhoods as they drive around looking for a

place to park. He was in favor of doing what could be done quickly and easily for the 2018 season. He understood Council's job was to determine what would be allowable, reasonable and fair.

Councilmember Buckhannon was an advocate for pay-to-park, and he thought that technology has advanced to a point where it would be more affordable and easier to use. He also said that the goal was to drive visitors to the City parking lots, to make that a more attractive option and to charge a higher fee on Palm to discourage parking. If the consensus of the Committee was to pay-to-park on Palm, direction should be given to the Public Safety Committee so they could begin work immediately.

In the past few years, Chair Ward opined that Council's decisions have pushed people away from the municipal lots and onto Palm; he agreed with Councilmember Buckhannon that parking fees for the lots should be lowered and a higher fee charged for parking on Palm. He indicated that the Committee should do more research on two (2) tiered parking fees in the City lots.

Councilmember Rice suggested that staff go back to the recommendations from Stantec, the consultants who assisted with the parking plan, to see what concepts they had offered for Palm Boulevard. She added that she was disheartened that day-trippers would have to work two (2) hours to afford a day at the beach.

Councilmember Ferencz liked the idea of incentivizing visitors to go to the municipal parking lots with a lower fee and would add that residents, with a valid residential sticker, could park for free all year around. She envisioned having parking kiosks, if Council went that route, at each beach access.

Mayor Carroll thanked the Chair for putting this topic on the Agenda for discussion; he recalled from the forums that residents wanted the managed parking plan to be enforced year-round, requiring vehicles to park four feet (4 ft.) from the road on both sides, as well as parallel parking on both sides of Palm Boulevard.

Councilmember Kinghorn stated that steering people to a specific area was going to be difficult, if not impossible; people select an area of the beach that they prefer, whether it be for surfing or sunning, and they tend to always go to that location. And a couple of dollars would not make a difference.

Based on his past experience, Councilmember Bell noted that the City could not afford a real-time data system, but would likely have to use kiosks – simple technology to solve a problem.

Administrator Tucker directed those present to the City's website under City Services/Administration/Parking and Beach Improvements where there is a thorough reverse chronology and history of the meetings, discussions, etc., with the consultants. Also included were the issues Council dealt with such as equal protection related to public roads and the inability to make a distinction between residents versus non-residents on a state-owned public right-of-way.

Responding to Councilmember Ferencz' question, the Administrator stated that, while some adaptations might be made for the coming season, the City has already ordered the necessary items for the 2018 season; any significant changes could not be implemented until the season of

2019. She reminded the Committee that the existing managed parking plan took two (2) years to develop and implement.

Mayor Carroll asked that the Public Safety Committee discuss the twenty-five foot (25 ft.) line of sight issue and parking four feet (4 ft.) from the road on the entire island.

Councilmember Moye suggested that the Public Safety Committee prioritize what the managed parking plan was to achieve.

4. Financial Statements – Treasurer Suggs

A. Financial Statement

At the end of January 2018, General Fund revenues were approximately five million dollars (\$5,000,000), or forty-nine percent (49%) of budget, and General Fund expenditures were at fifty-two percent (52%) of budget with a seven (7) month target being fifty-eight percent (58%). Total revenues City-wide were approximately eleven million seven hundred thousand dollars (\$11,700,000) which constituted forty percent (40%) of the FY18 budget; total expenditures City-wide were approximately ten million three hundred thousand dollars (\$10,300,000), or thirty percent (30%) of budget. The Treasurer noted that cash balances continue to be strong, but they will begin to decrease as the City embarks on several large projects.

Chair Ward commented the business license revenue was down slightly, but the deadline was extended to April 30th.

B. Tourism Funds

The Municipal Accommodations Fee and the Beach Preservation Fee were two percent (2%) higher year-to-date in FY18 than for the same period in FY17. Hospitality Tax collections were five percent (5%) ahead of FY17, and the Treasurer opined that the City has a couple of late payers. The second quarter's State Accommodations Taxes have been received, and the City is running three percent (3%) ahead of FY17. No change has occurred in the collection from the Charleston County Accommodations Tax Pass-through.

C. Projects Worksheets

The first pay application, which was for mobilization, has been paid to Great Lakes Dock and Dredge for the Beach Restoration Project for approximately one million eight hundred thousand dollars (\$1,800,000); since the schedule was produced, the City has paid pay application #2 for construction in the amount of two million eight hundred thousand dollars (\$2,800,000). The Treasurer reported that the City was holding the one hundred fifty thousand dollar (\$150,000) check from Wild Dunes until the City learns FEMA's decision on the Irma sand losses.

Councilmember Ferencz asked about the mud rollers, balls of red mud, that were tossed on the beach from the dredge site; Administrator Tucker reported that the dredger was instructed to move to a different area of the borrow site as soon as the mud rollers appeared on the beach. Discussions have carried over to this week relative to the beach cleanup; according to the permit, the dredger is responsible for that task. The alternatives are for the City to clean it up or to ask

the dredger to clean it up which would lead to an additional expense; the Administrator assured the Committee that the cleanup process started today as staff located a place to dispose of them. Coastal Science and Engineering is responsible for getting someone to remove the mud rollers from the beach.

In January, little financial activity occurred on the Phase II Drainage Project. The City anticipates covering the project shortfall of approximately sixty-three thousand six hundred dollars (\$63,600) from Contingency Funds.

The Front Beach restroom renovation project has a twenty thousand dollars (\$20,000) surplus when comparing the budget to the contract, and the City has not received any construction pay applications to-date.

One (1) new schedule was for the replacement of the underground fuel storage tanks at the Public Works site and the IOP Marina. This project is funded from multiple sources and is expected to be completed on budget. Treasurer Suggs noted that, due to the delay in receiving the tanks, the tanks at the Public Works site will be installed in the spring and the ones at the Marina will be installed after the season.

The second new worksheet was for the Marina Bulkhead Rehabilitation; the comparison between the project budget and the contract shows a surplus in the budget of approximately seventy-six thousand dollars (\$76,000).

The Treasurer also noted that included in meeting packets were the summary and detail balance sheets, as well as the revenue and expenditure report for January 2018.

Treasurer Suggs stated that the fund balance schedules were included with the budget when it was adopted. In these schedules, the FY17 audited fund balances are displayed adding in the FY18 anticipated revenues, subtracting the FY18 expenditures, adding or subtracting the transfers between funds and the reserves for fund balance yielding a projected Fund Balance at the end of FY18. According to the Treasurer, the fund balance schedules are a good way to understand the various "buckets" of funding that have been established, organized by general ledger fund, and within each fund categories exist for projects.

Chair Ward pointed out that all of the money in the General Fund is assigned or restricted except the first column that is designated "Unassigned," and it was expected to end the year with a Fund Balance of approximately two million seven hundred thousand dollars (\$2,700,000).

5. Old Business – None

6. New Business

- A. Consideration of contract awards to Benson Ford Nissan in the amount of \$49,756 (\$24,878 x 2), state contract pricing, for two (2) 2018 Ford Interceptor Sedans** (Page 25, In 112 – Municipal Accommodations Tax Fund, Police Dept. Capital Outlay, \$64,000) **and an award in the amount of \$25,083, state contract pricing, for one (1) 2018 Ford Interceptor Sedan** (unmarked) (Page 28, In 278 – State Accommodations Tax Fund, Police Dept. Capital Outlay, \$32,000)

MOTION: Mayor Carroll moved to award contract to Benson Ford Nissan for the vehicles detailed above; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.

B. Report on a recommendation for an agreement with The Palms Hotel for their guests and employees to park in the municipal parking lots

Administrator Tucker noted that a sheet was included in meeting packets detailing the components of an agreement, and, since a formal agreement was not ready for approval, no action by the Committee was needed at this meeting. The components were as follows:

- The Palm Hotel will pay the daily rate of eight dollars (\$8) per weekday and ten dollars (\$10) for weekends and holidays for their guests to park in the municipal parking lot from March 1st through October 31st; if City Council increases the parking fees, the new rates would automatically apply to the agreement.
- Parking will be on a first-come first-served basis and will not be guaranteed for hotel guests. The Hotel will provide its guests with a hangtag that has been approved by the IOP Police Department and will contain the state, vehicle registration number and the “good-through,” or check-out, date.
- Seasonal passes for employees will not be transferable in accordance with existing City regulations; passes can be purchased by the hotel management or individual employees at the Public Safety Building.
- Prior to entering into an agreement, the Hotel will provide to the City a representative monthly report showing the total number of guests who parked in the Municipal Parking Lot, and the report must include a breakdown of the usage between weekdays and weekend days and holidays.
- The City acknowledges that the parking payment will be made in arrears on a monthly basis.

C. Consideration of a proposal for a sole source contract in the amount of \$24,500 from ATM to begin the permitting process for the replacement of the docks at the IOP Marina (pg. 48, ln 178 – IOP Marina Special Projects, Marina Fund, (1/3) \$77,572 and Hospitality Tax Fund, (2/3) \$155,143 totaling \$232,715 for engineering and design of upland improvements, a portion of which will be redirected to permitting and design of the docks)

Councilmember Bell explained that this item was borne out of a discussion he had with Marina Manager Brian Berrigan to move the permitting process along for the City to make necessary repairs to the docks since the marina referendum did not pass. In the motion he made at the Real Property Committee meeting, he wanted the Administrator to reach out to ATM to learn whether the City would see a cost savings by working with them for the permitting work since they likely had the relevant information already. He did not intend to have the permitting done for what appeared to him as all waterside improvements developed in the Marina Enhancement Project, which he repeated, was defeated in November 2017. He opined that what was needed was a better definition of what the Real Property Committee was asking for and to use that as a basis to go out for bid on the work needed on the docks.

Administrator Tucker commented that her understanding from the Real Property Committee was that she was to get a price from ATM, and that was done. She explained that it appeared on the Agenda as it did because, if it was the desire of the Ways and Means Committee to award a contract, it must appear in this form to note a sole source award and the sources of funding. She continued that her understanding at the Real Property Committee meeting and at this meeting was that, since the permitting process would take up to a year for dock replacements, there was a sense of urgency to start the process as fast and as efficiently as possible, and, since ATM has developed a familiarity with the marina, they would be the best option for the City to accomplish that goal. She asked for guidance for the City staff about whether it was developing an RFP to get permits to replace the docks or was developing an RFP for an engineering firm to evaluate the docks, tell the City what needed to be done and to learn if the docks could be repaired or if they should be replaced.

D. Consideration of a Change Order from Phillip Smith Contracting in the amount of \$27,671.00 relative to the public restrooms and the dune walkover (pg. 47, In 142 – Capital Projects, Rehab Public Restrooms, State ATAX - \$372,000; Beach Preservation Fee - \$175,000; Plant a Palm/Aisle of Palms Fund - \$18,000 totaling \$565,000 with balance remaining of \$50,520)

The Administrator noted that a letter from Liollo, the project's architects, was included in the meeting packet detailing the work to be done under the change order and Liollo's recommendation on each; the sum total of the recommended work was twenty-seven thousand six hundred seventy-one dollars (\$27,671). She asked that Director Kerr go to the podium to review the work and to describe each one (1) in layman's terms.

Mayor Carroll commented that Liollo was "a great architectural firm," but he was taken aback by the number of changes identified and the cost.

Responding to the Mayor's question of "How did we get here?" Director Kerr said that all but one (1) item was uncovered in the demolition; he stated that one (1) item was an ADA grab rail which, in his opinion, should have been included on the original plans. He then reviewed each of the changes that have a cost attached to them as follows:

- Installation of screening on the back side of the louvers at both ends of the building to keep out insects and small animals at a cost of \$3,740;
- Installation of ADA grab rails down both sides the boardwalk from beginning to end at a cost of \$4,700;
- Re-enforcement of the clips that hold the joists to the roof components at a cost of \$7,965;
- The replacement of the concrete to eliminate a trip hazard at the back where the concrete sidewalk will interface with the boardwalk ;at a cost of \$4,048; and
- The addition of gutter drain pipe under the boardwalk to lead rain water toward the beach and away from Coconut Joe's at a cost of \$10,637.50.

MOTION: Councilmember Rice moved to approve the Change Order from Phillip Smith Contracting in the amount of \$27,671; Councilmember Kinghorn seconded.

Replying to Councilmember Kinghorn's questions, Director Kerr said that he did support the recommended changes, and he added that it was difficult to get such problems resolved once the job has been completed and the contractor has left the project. He also noted that the architects have recommended the changes and that he did not expect the project to have any more change orders.

MOTION: The motion PASSED UNANIMOUSLY.

E. Discussion of IOP Procurement Code

The Administrator stated that the existing Procurement Code allows the following:

- The City's Procurement Agent is authorized to approve purchases up to ten thousand dollars (\$10,000) whether they are budgeted or unbudgeted without Council approval;
- The Purchasing Agent is authorized to approve budgeted purchases between ten thousand dollars (\$10,000) and twenty-five thousand dollars (\$25,000), if the price does not exceed the budget by more than ten percent (10%) and if the total expenditure does not exceed twenty-five thousand dollars (\$25,000); the Purchasing Agent shall report said purchases to City Council;
- All unbudgeted purchases that exceed ten thousand dollars (\$10,000) shall be approved by Council;
- City Council shall approve all purchases greater than twenty-five thousand dollars (\$25,000).

The above changes were made at the request of Council a year or so ago in an effort to streamline the process. If the present Council was not so inclined, the Administrator indicated that she would welcome a team approach to approvals rather than there be any doubt that the City Administrator would spend the City's money in any manner other than what the citizens intended.

MOTION: Mayor Carroll moved for the City Administrator to have the authority to approve purchases up to \$2,500 without Council approval, and a 3-person team composed of the Mayor, the Chair of Ways and Means and the City Administrator would be authorized to approve or disapprove purchases between \$2,501 and \$25,000; Chair Ward seconded.

According to the Mayor, this motion was made in an effort to be as transparent as possible.

Chair Ward confirmed that the three (3) person approval would be for budgeted and unbudgeted items.

Councilmember Kinghorn opined that any action should take a more global perspective than be a reaction to one (1) isolated incident; these changes to the Procurement Code were made last year and have worked well. In his opinion, this motion was "foolhardy and going backward."

Councilmember Smith did not understand the reasoning between two (2) members of Council making purchasing decisions over the full Council being allowed to provide input; in the case of the public forum, Council had multiple opportunities to discuss the merit(s) of a facilitator.

Councilmember Buckhannon said that the three (3) person team would not have three (3) votes since the City Administrator did not have a vote; therefore, the approvals would be decided upon between the Mayor and the Chair of Ways and Means. In his opinion, the cost of the forums was an unbudgeted item for which funds were available in the FY18 budget; it was unfunded in that forums were not a part of the budget discussions and not specifically identified in the budget. He thought that items identified in the budget and under the twenty-five thousand dollar (\$25,000) threshold should be the responsibility of the City Administrator; he stated that he does not think two (2) members of Council should be making such decisions, but they should go before the full Council.

Administrator Tucker commented that the City Attorney has some recommendations for changes to the Procurement Code that relate to other activities of the City and some clean-up items. She expressed confidence that there was a way to solve this dilemma in a way that Council, the community and the City Administrator were comfortable with, and that could be looked at with the City Attorney before the Council meeting. She noted that, if Council goes back to something more restrictive and more cumbersome, they might see after a year why the process takes so much longer; if the old process was still in effect, the City would probably only now be having the first public form by waiting the month until the Council meeting. The goal, to the Administrator's understanding, was to have all of the information from the forums available to Council as it began work on the FY19 budget.

Councilmember Kinghorn expressed the opinion that having two of nine (2 – 9) make the decisions was contrary to the Council form of government and what it was designed to achieve.

Councilmember Ferencz stated that, while campaigning, one (1) thing that was stressed to her by citizens was that they wanted a new Council to do things differently from the past one (1), and she interprets resident's comments as "Now you have been elected, what changes are you going to make?" She recalled that she was concerned by the lack of checks and balances when this ordinance was passed last year.

Councilmember Buckhannon expressed concern about FOIA in that, if the two (2) Councilmembers got together to discuss purchases, would it be considered a meeting and would public notice be required? He thought the City Attorney should be consulted for answers to his questions.

For Councilmember Bell, the simple answer was that the City Administrator come to Council with all of the purchases over a designated threshold. He indicated that he was told when the ordinance passed last year that the City was acting against State recommendations for procurement codes at that time – the City was doing something different from what other local governments were doing with their procurement code.

VOTE: The motion FAILED on a vote of 4 to 5 with Councilmembers Buckhannon, Kinghorn, Moye, Rice and Smith casting the dissenting votes.

G. Report in accordance with Chapter 20, Purchasing, Section 1-10-3(c), less than \$25,000 and in the budget

- Laura Varn and Associates, LLC - \$9,000 – Professional Services

Visioning – Citizen Forum 1	\$3,000	complete
Visioning – Citizen Forum II	\$1,500	complete
Session II – 3 Hour Session With City Council	\$2,000	February/March
Session III – ½ day Workshop to Shape Future	\$2,500	February/March

7. Miscellaneous Business – None

Dates and times for the Visioning Meetings were set for
4:00 p.m., Wednesday, February 28th in Council Chambers
2:00 p.m., Wednesday, March 21st at an undecided location

Next Meeting Date: 5:00 p.m., Tuesday, March 20, 2018

Administrator Tucker reminded everyone of the Coyote Expo, from 5:30 p.m. to 7:00 p.m., Thursday, February 22, 2018 at the Rec Center

8. Executive Session – not needed

9. Adjournment

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 7:12 p.m.; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk