

WAYS and MEANS COMMITTEE

5:00 p.m., Tuesday, June 20, 2017

The regular meeting of the Ways and Means Committee was held at 5:00 p.m., Tuesday, June 20, 2017 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Mayor ProTem Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Assistant Administrator Fragoso and City Clerk Copeland; a quorum was present to conduct business.

1. Mayor Cronin 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: Councilmember Bettelli moved to approve the minutes of the regular meeting of May 16, 2017 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Financial Statements** – Treasurer Suggs

A. Financial Statement

The financial information for discussion is through eleven (11) months of the fiscal year, making the target for revenue and expenditures ninety-two percent (92%). General Fund revenue is at eighty-three percent (83%) of budget; the Treasurer reminded the Committee that large amounts of FY17 revenue are received by the City after June 30th, for instance the fourth quarter of State ATAX, franchise fees, tourism revenue generated in June, etc. Overall expenditures are at eighty-five percent (85%) of the General Fund budget. General Fund cash on-hand represents twenty-seven percent (27%) of General Fund expenditures; total cash on-hand is in excess of twenty-one million five hundred dollars (\$21,500,000) and includes five million dollars (\$5,000,000) of stakeholder funds for the beach renourishment project.

B. Tourism Schedules

The Municipal Accommodations Fees were higher than ever at approximately ninety-two thousand five hundred dollars (\$92,500) in collections bringing the year-to-date total to two percent (2%) greater than the same period in FY16. The City has not received the June quarterly payment of State ATAX. Rather than making semi-annual payments as it has done in previous years, the Charleston County Accommodations Tax Pass-through was paid in a lump sum and was five hundred twenty thousand dollars (\$520,000) that represents a seven percent (7%) increase over FY16. Hospitality Taxes also had a banner month with collections in excess of eighty-five thousand dollars (\$85,000) for a six percent (6%) increase over FY16. Like Municipal ATAX, Beach Preservations Fees have increased by two percent (2%) over FY16.

C. Projects Worksheets

The only activity on the Beach Restoration Project was a payment to Coastal Science and Engineering for less than ten thousand dollars (\$10,000).

Mayor Cronin announced that the City has been notified that the state will participate in the Beach Renourishment Project in the amount of three million three hundred eighty-two thousand eight hundred sixteen dollars (\$3,382,816). According to the State's calculations, only forty-eight point eight percent (48.8%) of the project area has public access; therefore, they gave the City forty-eight point eight percent (48.8%) of the amount requested. Currently the City has eleven million four hundred sixty-six thousand dollars (\$11,466,000) available for the project; assuming the FEMA worksheet is approved, the City should have sufficient funds to go forward.

The vehicle wash-down project at Public Works paid multiple invoices from Thomas & Hutton for construction oversight; approximately six hundred twenty-eight thousand dollars (\$628,000) remain to be spent. Administrator Tucker reported that the project engineer is negotiating with Hitt on a change order.

5. Old Business – None

6. New Business

A. Recommendation from the Public Safety Committee – Consideration of a sole source contract to Marina One Corporation for 1 Rescue One Connector boat, motor and trailer in the amount of \$32,478.86 less the trade-in of City's rescue boat (FY18 budget, page 29, State ATAX, Fire Department Capital Outlay - \$30,000)

MOTION: Mayor Cronin moved to award a sole source contract to Marina One Corporation for 1 Rescue One Connector boat, motor and trailer in the amount of \$32,478.86; Councilmember Bettelli seconded.

Administrator Tucker noted that the justification for the sole source purchase was included in the meeting packet.

VOTE: The motion PASSED UNANIMOUSLY.

B. Consideration of an award of a contract in the amount of \$12,894 to Berkeley Heating and Air for the replacement of the HVAC unit at the Rec Center (FY18 budget, page 46, Capital Projects Fund, Capital Outlay – HVAC, \$30,000)

MOTION: Mayor Cronin moved to award a contract in the amount of \$12,894 to Berkeley Heating and Air for HVAC unit at the Rec Center; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

C. Consideration of an award of a contract to LS3P for architectural and engineering services for the proposed fitness space at the Recreation Center (FY18 budget, page 37, Recreation Building Fund, \$50,000)

MOTION: Mayor Cronin moved to award a contract to LS3P in the amount of \$50,000 for architectural and engineering services for the fitness space at the Rec.

The Administrator stated that this work would take the project to biddable documents; if the project goes forward in FY19, the City will incur additional soft costs totaling approximately twenty thousand two hundred dollars (\$20,200).

VOTE: The motion PASSED on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward casting the dissenting votes.

- D. Consideration of a contract amendment to Civil Site Environmental in the amount of \$30,000 related to Phase II Drainage 45th to 52nd Avenues (FY18 budget, Capital Projects Fund, Public Works, Phase II Drainage)**

MOTION: Mayor Cronin moved to amend the contract to Civil Site Environmental (CSE) in the amount of \$30,000; Councilmember Carroll seconded.

Administrator Tucker noted that this amendment was to a contract with CSE entered into several years ago. When the application was submitted for the Rural Infrastructure grant, these additional costs were included. She also reported that the pre-bid conference was attended by ten (10) potential bidders, making her optimistic about the bids.

VOTE: The motion PASSED UNANIMOUSLY.

- E. Recommendation from the Real Property Committee**

- 1. Operating the kiosks from March 1 to the 3rd Saturday in October**

MOTION: Councilmember Bergwerf moved to extend the operation of the parking kiosks by 2 weeks at the beginning and 2 weeks at the end of the season; Councilmember Bettelli seconded.

Councilmember Ward asked if there had been feedback from the Front Beach business operators, and Councilmember Bergwerf referenced the email to Council from Joe Petro of the Banana Cabana. The Councilmember then asked if input had been solicited from Front Beach businesses, and he was told that no solicitation was done.

Mayor Cronin stated that Mr. Petro's email was a request to implement the extension of time in 2018.

Councilmember Rice thought that his request was a reasonable one, but she added that visitors to the island expect to pay to park.

Mayor Pro Tem Harrington said he saw no reason to delay the implementation.

The Mayor noted that the renovations of The Palms Hotel has decreased foot traffic on the street for the Front Beach businesses. He stated that he has been told that the hotel hopes to reopen before the eclipse in August, but he thought that was unrealistic and that it would not re-open before the end of the summer.

Councilmember Ward asked if people were going to have to pay to park to attend the street festival held in March.

Councilmember Carroll opined that taking this action would only serve to push people down Palm Boulevard where the parking is free, and the Mayor responded that was happening now.

Councilmember Ferencz asked if a cost analysis had been done weighing the cost of having BSOs on the payroll longer versus the revenue anticipated.

The Administrator said that the Police Department typically has a couple of BSOs who come to work in March and continue through October; therefore, the City would not additional expense.

In order to have a full complement of BSOs, four (4) more need to be hired according to Mayor ProTem Harrington.

AMENDMENT: Councilmember Rice moved to implement the program in March 2018; Councilmember Bergwerf seconded and the amendment PASSED on a vote of 6 to 3 with Councilmember Ferencz, Harrington and Ward opposing it.

VOTE ON AMENDED MOTION: The amended motion passed on a vote of 5 to 4 with Councilmember Carroll, Ferencz, Harrington and Ward opposing it.

2. **Approval of an amendment to the ATM contract for additional services related to the Marina Enhancement Project in the amount of \$25,125 (FY17 budget, page 27, State ATAX, Public Works Capital Outlay, \$15,000)**

The Real Property Committee decided to go forward with the project without re-submitting a Tier 2 application for the Boating Infrastructure Grant; the members agreed that the requirements of the grant for improving marina infrastructure for transient boaters were limiting and restricted what the City could do at the marina. The decision was to target one (1) area of the project, the replacement of the fuel lines and fuel pumps, as a Tier 1 grant that is competitive only within the state of South Carolina and is not contingent on transient boaters. Council has heard the comments from citizens to make the marina more resident friendly, and, without the influence of the BIG grant, the City has the freedom to do that.

Responding to Councilmember Kinghorn's request for a post-grant briefing, Kirby Marshall of ATM stated that he had pressed DNR for information and was only told that the Isle of Palms Marina was not on the award list; he did not get any feedback about the City's application. The three (3) projects in South Carolina that received funding were Daufuskie Marina, the Ashley Marina downtown and the Georgetown Landing marina; the Ashley Marina and Georgetown Marina were re-submittals.

MOTION: Mayor Cronin moved to amend the ATM contract in the amount of \$25,125; Mayor ProTem Harrington seconded.

Councilmember Ward stated that he was hesitant to spend more money before the referendum on this project.

Councilmember Bergwerf stated that this additional work by ATM was to get to the referendum, i.e. attending two (2) public meetings to inform the residents about the project, to produce visuals illustrating the enhancements, to provide information for the City's website about the project, etc.

Councilmember Ward asked what the City's position was going to be on the project, and the Administrator answered that the City took no position and that it only wanted to educate and inform the residents about the Marina Redevelopment Plan.

The Administrator pointed out that the ATM proposal was composed of two (2) pieces, and the cost to complete the Tier 1 BIG application is thirty one hundred twenty-five dollars (\$3,125).

The second part of the ATM proposal is for their assistance leading up to the referendum that will include their attendance at two (2) public meetings and the preparation of visual aids for the meetings at a cost of twenty-two thousand dollars (\$22,000); any additional meetings would cost an additional twenty-five hundred dollars (\$2,500), assuming a four hour (4 hr.) meeting.

AMENDMENT: Councilmember Carroll moved to amend the motion by eliminating the Tier 1 BIG grant application; Councilmember Rice seconded.

Responding to Councilmember Bergwerf, Councilmember Carroll said that he thought that the application was a waste of money.

Councilmember Ferencz remarked that the marina would still be required to have "x" number of feet of transient dockage.

Mr. Marshall said that the transient dock space was a requirement in the Tier 2 grant the City applied for last year, but the same was not true of the Tier 1 grant. He explained that this grant was competitive only in the state, and the fuel lines and pumps have to be replaced no matter how the referendum goes. He has inquired of DNR about the Tier 1 grant and was told that they have received only one (1) other inquiry about it. That part of the project will cost approximately one hundred fifty thousand dollars (\$150,000), and he thought the City could get half that amount through the grant.

Councilmember Ward stated that the City cannot be accused of "ramming the project down citizens' throats."

Mayor ProTem Harrington said that he sees the marina project as the City protecting its asset; he noted that some things must be done for safety reasons.

VOTE on the AMENDMENT: The amendment FAILED with only Councilmembers Carroll and Ferencz supporting it.

Administrator Tucker suggested that Council vote on an "up to" number including one (1) additional public meeting

VOTE on Main MOTION: The motion in the amount of \$25,125 PASSED UNANIMOUSLY.

- F. Reports in accordance with Chapter 20, Purchasing, Section 1-10-3(c) less than \$25,000 and in the budget**
- 1. Award of a contract to Charleston Power Sports in the amount of \$12,750 for 1-2017 SeaDoo GTI-155 jet-ski (FY17 budget, page 27, State ATAX, Fire Department Capital Outlay, \$13,000)**
 - 2. Award of a contract to MTJ Sports of South Carolina in the amount of \$12,750 for the replacement of 4 outside basketball posts, backboards and goals (FY17 budget, page 24, Muni ATAX Fund, Capital Outlay, \$18,000)**
 - 3. Award of a contract to Access Rec in the amount of \$14,999.71 for access mats for beach paths FY17 budget, page 27, State ATAX, Public Works Capital Outlay, \$15,000)**

Councilmember Ward asked which access paths would get the mat(s), and Director Pitts said it would go on Accesses 31A and 37. The Councilmember then asked why the 5th Avenue access path was not included, and the Administrator explained that the 5th Avenue access mat would have to be bid out because it needed a particular type of material and would be an expensive project.

7. Miscellaneous Business – None

Next Meeting Date: 5:00 p.m., Tuesday, June 18, 2017

8. Executive Session – not necessary

9. Adjournment

MOTION: Councilmember Kinghorn moved to adjourn the meeting at 5:55 p.m.; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk