



Ways & Means Committee Meeting
6:00pm, Tuesday, June 16, 2020
Virtual Meeting via Zoom call due to COVID-19 Pandemic
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to Order

Present: Council members Pounds, Streetman, Popson, Bell, Buckhannon, Smith, Moye, Ward, and Mayor Carroll

Staff Present: Administrator Fragoso, Treasurer Suggs, various City Department heads

2. Approval of previous meeting's minutes – May 19, 2020

Council Member Pounds noted a correction to be made at the second vote on page 6 of the minutes. Council Member Popson voted Nay along with Council members Smith, Ward, Buckhannon and Carroll.

Council Member Bell made a motion to approve the minutes as amended, and Council Member Streetman seconded the motion. The motion passed unanimously.

3. Citizen's Comments – will be attached to these minutes upon approval of the minutes at next month's regular meeting.

4. Financial Statements – Treasurer Suggs

Treasurer Suggs said the auditors were in City Hall doing preliminary work this week and she expects them to return in August. The goal is to have the audited statements presented in October or November this year.

She then reviewed the financial statements. The budget forecast for the remainder of FY20 shows a \$2M reduction in revenue and \$4.8M reduction in expenditures. Some of the reduction in expenditures is a matter of timing as the expenditures will shift to FY21. While revenues are under budget, she expects to end the year with a surplus of approximately \$84,000. The effects of COVID-19 will be felt in the remainder of FY20 and in FY21.

Treasurer Suggs said that there are many unknowns in the tourism schedules due to COVID-19. Reductions in collected tourism taxes are anticipated. The Committee expects to revisit the budget throughout the year as more information becomes available. She reported that Charleston County has said they will not be distributing the second ATAX payment for FY 20 and all distributions for FY21. A letter from several communities is being drafted and sent to the County requesting negotiations of that decision.

Some monies have been spent on engineering and design work for the Phase III Drainage Project. Approximately \$700,000 has been spent in May on the Public Safety building rehabilitation project with another \$549,000 payment due in June. Administrator Fragoso said the project is on budget and ahead of schedule.

5. **Old Business**

Discussion and consideration of FY21 budget draft #4

Council Member Pounds said this draft of the budget includes the most recent assumptions regarding revenues. Administrator Fragoso stated she expects a change may be needed to the ratified budget regarding the costs of the refurbishment to the 95' ladder truck depending on when the City takes possession of the truck.

Committee members briefly discussed the need to keep a line item for dredging costs in the budget. Administrator Fragoso said that having dredging costs in the 10-year capital plan does not commit the City to spending that money. Council Member Bell expressed concern about the City's responsibility, or lack thereof, for dredging according to the marina lease. Administrator Fragoso noted there is no urgency to do any dredging this year, but said a future study may need to be done to determine more exact timing of such a project.

MOTION: Council Member Moye made a motion to approve the budget as presented and send it to City Council for ratification. Mayor Carroll seconded the motion. The motion passed unanimously.

6. **New Business**

A. **Discussion and consideration of proposal from Thomas & Hutton in the amount of \$18,900 for the conceptual study of the Waterway Boulevard path to evaluate the feasibility of elevating the path and provide options of probable cost**

MOTION: Mayor Carroll made a motion to approve and Council Member Streetman seconded the motion.

Administrator Fragoso pointed to the scope of services developed by Thomas & Hutton for this project and that the FY21 budget includes additional funding to include the possible costs of suggested improvements to the Waterway Boulevard path. Director Kerr detailed some of the complexities of the project that must consider how to improve the path while keeping water off the roadway. He said he will mention the need to look at how the tree roots affect the path to Thomas & Hutton.

VOTE: The motion passed unanimously.

B. **Consideration of proposal from Pleasant Places in the amount of \$70,500 for city-wide landscaping services**

MOTION: Council Member Moye made a motion to approve, and Council Member Bell seconded the motion.

Administrator Fragoso said eight proposals for this service were received. Director Pitts and Asst. Director Asero narrowed the choices and conducted interviews with two companies. Staff recommends Pleasant Places, and Council Member Popson spoke highly of them. Administrator Fragoso said the contract is for a one-year term that is renewal at the same rate for up to four successive one-year terms.

VOTE: The motion passed unanimously.

C. Consideration of recommendation from Personnel Committee to include \$20,000 in the FY21 budget for a wage and compensation study

MOTION: Council Member Moye made a motion to approve and Council Member Streetman seconded the motion.

Council Member Moye said an updated wage and compensation study is needed to make sure the City is attracting and keeping the right employees. Administrator Fragoso said that City Council will need to commit to implementing the changes suggested by the study. The scope of work includes an implementation plan. Several Council members spoke in favor of the study. Council Member Ward expressed concern about doing the study at this time. Administrator Fragoso anticipates the study to take 6-8 months to complete.

VOTE: The motion passed unanimously.

D. Preliminary discussion about upcoming request from the IOP Water & Sewer Commission for approval of \$16M bond issue for the decommissioning and relocation of the Wild Dunes wastewater treatment plant

Council Member Pounds reported that he and staff met with the Vice Chairman and staff of the Water & Sewer Commission to discuss the \$16M bond. The Water & Sewer Commission will make a presentation to City Council in July. Issues of concern to City Council as well as customers such as the affect of the bond on water rates will be addressed in their presentation. Mayor Carroll encouraged all committee members to tour the wastewater treatment plant.

E. Discussion about engaging financial advisor to guide and assist with proposed debt issues related to the Phase III Drainage and Marina Dock Rehabilitation projects

Council Member Pounds reported that he, Administrator Fragoso, and Treasurer Suggs have had recent discussions with bankers regarding municipal funding options for upcoming bond issues facing the City. Council Member Ward agreed that the money spent on such advice will more than pay for itself with regards to the rate and terms that can be realized with their help.

F. Discussion about implementing the use of consent agendas to facilitate more efficient meetings

Council Member Pounds shared with Committee members the ways in which consent agendas can make City Council meetings more efficient. Administrator Fragoso said using a consent agenda is used for passing routine items and requires a change to the City code which will be presented at the next City Council meeting.

Mayor Carroll asked Committee chairs to consider only reviewing the highlights of their meeting minutes at City Council meetings in an attempt to shorten the meetings.

G. Discussion and consideration of marina restaurant lease proposal

Administrator Fragoso said City Council has received a response from the IOP Families Group regarding the marina restaurant lease proposal that needs to be discussed in Executive Session.

7. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, July 21, 2020 at 6:00pm.

8. Executive Session

MOTION: Mayor Carroll made a motion to go into Executive Session in accordance with §30-4-70 of the Freedom of Information Act for discussion of contractual negotiations related to the marina restaurant lease proposal and to receive legal advice. Council Member Streetman seconded the motion. The motion passed unanimously.

The Ways & Means Committee moved into Executive Session at 7:41pm.

The Ways & Means Committee returned from Executive Session at 8:46. No decisions were made.

MOTION: Council Member Bell made a motion to have the administration proceed as recommended by staff with our real estate consultant to reply to the IOP Families per discussions in Executive Session. Council Member Moye seconded the motion. The motion passed unanimously.

9. Adjournment

Council Member Buckhannon made a motion to adjourn and Council Member Moye seconded the motion. The meeting was adjourned at 8:48pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Public Comment For City Meetings

Name

Commissioner Curtis R Helfrich

Address

32 42nd Avenue, Isle of Palms, South Carolina 29451

Comments for Council Meeting

I wanted to remind all of us that the Isle of Palms Water and Sewer Commission is always at work for our Citizens and Visitors.

The course of our long term plans requires that we make good investments and operate our Waste Water Treatment facilities wisely.

We are currently paying off our last revenue bond series and expect to issue new long term revenue bonds for our future program goals. We appreciate how our Water and Sewer Commissions team has continued to operate so effectively given the current conditions.

Meeting This Comment is Intended For:

Ways and Means Committee

Email Address

Public Comment For City Meetings

Name

Robert Bob) Miller Bob Miller

Address

3 Fairway Village Lane, Isle of Palms, South Carolina 29451

Comments for Council Meeting

After having smelled this antiquated city asset for years, I am pleased that this is coming before the ways and means committee. It is a disgrace to IOP Government to have let this antiquated sewer plant to have gone on for this long. I appeal to you to approve backing the bonds required to move to a modern plant with up to date technology.

This process has been embarrassingly slow, I urge the committee to do everything possible to speed the approval process up. Further, the approval should come with aggressive dates to expedite and complete construction.

Since the bonds are supported by water and sewer revenue, the risks are minimal. Please vote yes to approve the bond request without further delay. Thank you for your support and your service!

Bob Miller

Meeting This Comment is Intended For:

Ways and Means Committee

Email Address

Public Comment For City Meetings

Name

Mr. Bortie Twiford

Address

19 Edgewater Aly, Isle Of Palms, South Carolina 29451

Comments for Council Meeting

Hello,

I'm sure this has been a trying time for all of you so thanks for your service to IOP.

My comment is in reference to eliminating the waste water plant from Wild Dunes. Being a resident of Wild Dunes, I am greeted by the odor coming from the plant on a daily basis. Also the plant is visible from Palmetto and is one of the first things people see coming into Wild Dunes. Please accept my comment as a resounding "YES" to the bond issue regarding this plant.

In addition, I think the property could then be converted to a revenue producing asset. We badly need a place to store small trailers, small boats, golf carts, kayaks, etc. - It could even be used to store cars by the week, month or year to residents who normally have issues with visitor parking at townhomes & condos.

I'm sure it's premature to talk about, but I currently own a reoccurring revenue rental business and would love to operate a storage facility like this that would be suitable for IOP and Wild Dunes. The good news is that it is big enough and would not be visible to residents or drivers on Palmetto.

Thanks for your time and good luck tomorrow.

Bortie Twiford

Meeting This Comment is Intended For:

Ways and Means Committee

Email Address

Public Comment For City Meetings

Name

Jim W Smiley

Address

16 44th Ave, Isle of Palms, South Carolina 29451

Comments for Council Meeting

Dear Council,

It is disturbing to me that so much of City business is conducted in executive session, especially as it concerns the Marina restaurant. What began back in December of last year as a 90 day authorization by Council for our City Administrator to enter into exclusive negotiations with Isle of Palms Families Group seems to have devolved into a never ending series of closed door discussions. These secret discussions just seem to be dragging on and on. And I notice that still another behind closed door session is on your agenda for the June 16 Ways and Means Committee. Where has transparency gone?

In January of this year at the visioning forum for our Marina, the number one want by residents was for a restaurant. If my memory serves me, Morgan Creek Grill closed way back in November, 2019. Now some residents wonder if we will ever have a restaurant again. Do the residents not deserve to know what the status of ongoing negotiations is, what the sticking points are, a timetable for resolving whatever the hold ups are and when we can expect to have a restaurant at our Marina again? Can you not tell us anything?

Thank You

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Ways and Means Committee

Email Address