



Ways & Means Committee Meeting
6:00pm, Tuesday, September 15, 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, Moyer, Ward, and Mayor Carroll

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

Also present: Kirby Marshall, ATM

2. Approval of previous meeting's minutes – August 18, 2020

Council Member Streetman made a motion to approve the minutes and Mayor Carroll seconded the motion. The motion passed unanimously by consent.

3. Citizen's Comments

City Clerk DeNeane read one comment from Jesse Malan, 25 41st Avenue, regarding a downed stop sign on Marginal Road.

4. Financial Statements – Treasurer Suggs

Treasurer Suggs reviewed the financial reports with Committee members. She noted there was not a lot of change on the revenue side, and expenditures from the General Fund are exactly the same as they were last year at this time. Cash balances come to just under \$20M.

She then reviewed the tourism schedules. Municipal ATAX collections are ahead of projections but less than last year. Hospitality Tax beat budget projections in July but were down in August.

One payment was made on the Public Safety Building Rehabilitation project in August, and two were made on the Phase III Drainage project. Administrator Fragoso reported that both change orders to the Public Safety Building project approved by City Council last month were paid for from the contractor's 10% contingency. She also shared that the City has applied for \$500,000 to the Rural Infrastructure Grant Authority for drainage funding. The City did receive this money for Phase II, and she anticipates receiving it again. There were no changes to the Marina Dock Rehabilitation worksheet in August.

5. **Old Business**

Discussion and consideration of marina restaurant lease proposal from the IOP Families Investment Group

Council Member Pounds said this matter will be discussed in more detail during Executive Session.

6. **New Business**

A. Consideration of award of a contract to Nicholson Business Systems for the Records Management system in the amount of \$38,990 [FY21 Budget; Capital Projects Fund; Police Department; Capital Outlay, \$30,000, pg. 17, ln. 20]

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

Chief Cornett said the City currently spends \$19,000/year for their RMS, and this contract will reduce that to \$4,000/year. He noted that the \$38,990 is higher than what was budgeted (\$30,000), but they are working on lowering that number by eliminating the conversion of data from the old RMS to the new RMS. Administrator Fragoso added, "We do want Council to consider approving to \$38,000 not to exceed even though it is over the budgeted amount of \$30,000 knowing that there may be some opportunities to reduce the cost."

Council Member Bell cautioned against maintaining two databases. Chief Cornett said the intent is to convert the data, if possible. Council Member Ward asked where the money will come from should the expense be over the budgeted amount. Administrator Fragoso said, "It may just come out at the end of the year as over budget on that line item. Oftentimes we do well in other things, and we can kind of come up with a difference. We are still early on in the budget process for FY21, so I couldn't necessarily say exactly where it would come from, but I am sure that we can find some savings like we usually do during the year." Council Member Ward said he would like any additional expense to come out of the police department's budget. Administrator Fragoso said she will identify a line item in the budget where the difference can be accommodated.

VOTE: The motion passed unanimously.

B. Consideration of purchase of beach services 4WD pickup truck, State contract pricing in the amount of \$26,870 [FY21 Budget; Hospitality Tax Fund; Police Department; Capital Outlay, \$30,000, pg. 21, ln. 21]

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

Administrator Fragoso said, "This is a truck that is budgeted to be replaced for the Beach Service officers. This is the truck that is going to have the license plate reader that is also budgeted in our FY21 [budget] that is going to be used for enforcement of paid parking next year."

Chief Cornett added that the remaining budgeted funds not used to purchase the vehicle will be spent to upfit the vehicle, but staff will attempt to use the light bar from the truck that is being replaced.

VOTE: The motion passed unanimously.

C. Consideration of award of a contract to Salmon’s Dredging Corporation for the marina dock rehabilitation project [FY21 Budget; Marina Fund; Debt Proceeds, \$3,209,000, pg. 29-30]

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

Council Member Pounds reviewed the timeline of the marina project that has brought City to approving this contract. Three proposals were received, the lowest of which was from Salmon’s Dredging. Mr. Kirby Marshall of ATM said that Salmon’s bid has been vetted, and all information included is “good.” He then reviewed the bid and the construction adds that also bid as a potential part of the larger project. ATM recommends the Committee consider adding the IPE Decking (\$86,000), the Builder’s Risk insurance (\$15,000), the fuel hut (\$100,000), and a 15% contingency (\$440,732) to the project cost.

Options for recoating the bulkhead was also discussed at length. Administrator Fragoso noted that work on the bulkhead had been bid out previously, and the bids came in much higher than anticipated. As the City was not intending to borrow money at that time, the bids were put to the side. Completing the bulkhead recoating during the dock rehabilitation process will be much easier and less intrusive and damaging to a new dock. Council Member Moye said the proposal appears to be preserving the City’s asset and reducing future expenses and maintenance. Mr. Marshall said sustainable materials are being used where they can be throughout the project.

Should this contract be approved with the suggested adds, Council Member Pounds noted that the amount of the bond will need to be increased by \$1M. Administrator Fragoso said that the larger bond amount would add approximately \$59,000 to the annual debt service payment assuming a 2.5% bond interest rate for 15 years. Options for 10, 12, and 15-year bonds will be considered.

Mayor Carroll said he would like to see a boat lift at the Marina for the Police Department. Mr. Marshall agreed it is a good idea, but it will need a dedicated space and would also need to be permitted. He suggested putting a fireboat on the jet dock. Council Member Ward expressed concern about the increase in project cost due to the adds. Council Member Popson said that doing this now is necessary since the maintenance has been deferred for so long.

MOTION: Council Member Bell made a motion to recommend to City Council the approval of the \$4,304,008 cost of Marina Dock Rehabilitation project to include IPE Decking, the builder’s risk insurance, the fuel hut, a 15% contingency, and bulkhead recoating (\$804,000 option). Mayor Carroll seconded the motion. A vote was taken as follows:

Ayes: Smith, Moye, Bell, Streetman, Popson, Buckhannon, Carroll, Pounds
Nays: Ward

The motion passed 8-1.

D. Discussion of 2020 reassessment and millage rollback

Committee members discussed options and the impact of increasing the millage rate. Council Member Moye emphasized the importance of communicating the impact of any tax increase to the citizens and what portion of their tax bill is related to City taxes. He said he would be in favor of any of the three options presented “so long as we as a Council and a government are directing those funds towards capital infrastructure improvements.”

Administrator Fragoso said, “The FY21 budget includes a debt service millage increase just to generate enough funds to cover the debt service on the Phase III Drainage Project, so not the Marina Dock Rehabilitation project that is contemplated to be serviced by rent revenue and tourism funds.”

Council Member Streetman said he would like to see the Council take a conservative approach to any tax increase. Mayor Carroll agreed that a smaller increase is a good idea and to let the residents know that Council is trying to keep their taxes low.

A final decision on the matter will come at the September 22 City Council meeting.

E. Discussion of updated City of Isle of Palms General Obligation Bond Financing Schedule

Council Member Pounds shared the bond financing schedule, noting that they are on track to have it closed by November 24 with a 60-day challenge period to take advantage of lower interest rates.

7. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, October 20, 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 Bell seconded the motion. The motion passed unanimously.

The Ways & Means Committee moved into Executive Session at 7:46pm.

The Ways & Means Committee returned from Executive Session at 8:20. Council Member Pounds said no decisions were made.

9. Adjournment

Council Member Streetman made a motion to adjourn and Council Member Moye seconded the motion. The meeting was adjourned at 8:20pm.

Respectfully submitted,

Nicole DeNeane
City Clerk