



City Council

6:00 p.m., Tuesday, November 17, 2020

Council Chambers

1207 Palm Boulevard, Isle of Palms, South
Carolina

Virtual Meeting Due to COVID-19 Pandemic:

The public may join the virtual meeting by clicking
here:

<https://www.youtube.com/user/cityofisleofpalms>

Public Comment:

All citizens who wish to speak during the meeting must email their first and last name, address and topic to rhanna@iop.net no later than **3:00 p.m. the day before the meeting**. Citizens who sign up to speak will receive an email with instructions to join the meeting via Zoom. All verbal comments will have a time limit of three (3) minutes. Speakers must turn on their video and make sure that their actual name shows up as their Zoom identifier, and mute themselves after their comments.

Citizens may also provide public comment here:

<https://www.iop.net/public-comment-form>

Agenda

- 1. Introduction of meeting** and acknowledgement that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.
 - a. Invocation
 - b. Pledge of Allegiance
 - c. Roll Call
- 2. Citizens' Comments**
Presentation of 20 audited financial statements by McKay Kiddy.
- 3. Consent Agenda**
Approval of Previous Meetings' Minutes
 - i. Regular Meeting – October 27, 2020
 - ii. Special Meeting – November 3, 2020
 - iii. Special Meeting – November 10, 2020
- 4. Reports from Standing Committees**
 - a. Ways and Means Committee

- i. Consideration of recommendation from the Public Safety Committee for replacing the 2004 Engine 1002 Pumper Truck by purchasing demo truck in the amount of \$525,00 in FY22 instead of refurbishing existing truck at \$335,000
- ii. Consideration of recommendation from the Public Safety Committee to award an amount not to exceed \$3,000 to restripe existing hotel 15-minute loading zone parking areas in Front Beach into paid parking spaces [FY21 Budget, Muni ATAX, Front Beach & Parking Management, Maintenance & Service Contracts, pg.20, ln. 76]
- iii. Consideration of award a contract to Gulfstream in the amount of \$614,985.07 for the small but high impact drainage projects at Sparrow Drive, Forest Trail, Cross Lane, 32nd Avenue and 41st Avenue [[FY21 Budget, Muni ATAX, Public Works, Drainage, \$500,000, pg. 19, ln.58] & [NPDES Stormwater Fund \$475,048]
- iv. Consideration of award of a contract to VC3 in the amount of \$133,885 for city-wide information technology support and services [FY21 Budget, General Fund, General Government, Contracted Services, \$150,000, pg. 9, ln.85]
- v. Consideration of a change order to Salmon's Dredging in the amount of \$23,634 for the relocation of the former watersports dock outside of the encroachment area in accordance with directive from the US Army Corps of Engineers

b. Public Safety Committee

c. Public Works Committee

d. Recreation Committee

e. Personnel Committee

f. Real Property Committee

- a. Consideration of recommendation to change the scope of work for the Greenbelt Program approved ADA-Compliant beach walkover at 42nd Avenue from a detached elevated boardwalk to a ground level rollout deck mat that would replace the existing blue mobi-mat.
- b. Discussion of vision and conceptual plan for the IOP Marina Waterfront Park

5. Reports from City Officers, Boards and Commissions

- a. **Accommodations Tax Advisory Committee** – no meeting
- b. **Board of Zoning Appeals** - no meeting
- c. **Planning Commission** – minutes attached

6. Reports from Special or Joint Committees – None

7. Petitions Received, Referred or Disposed of – None

8. Bills Already in Possession of Council

- a. Discussion of Ordinance 2020-10 – An ordinance to an amendment to §5-4-32 of the City's Zoning Code to allow for sewer pump stations in the SR-1 single-residential district
- b. Consideration of Ordinance 2020-11 – An ordinance to amend the Alarm Ordinance

9. Introduction of New Bills, Resolutions and Proclamations

- a. Consideration of Ordinance 2020-14 An ordinance to allow for commercial surfing instruction on the beach
- b. Consideration of Ordinance 2020-15 An ordinance to adopt the most recent Flood Insurance Rate Maps (FIRMs), create standards for new AO flood zones, and update existing language as required by SCDNR.
- c. Consideration of Emergency Ordinance 2020-14 – An ordinance to extend the State of Emergency, modify beach parking restrictions and extend other emergency provisions due to COVID-19
- d. Consideration of Resolution 2020-04 - Authorizing consumption of beer and wine only and amplified music at the Holiday Street Festival & Movie on December 5, 2020

10. Miscellaneous Business

- a. Discussion and consideration of renaming the Public Safety Building at 30 JC Long Boulevard to be the "Chief Ann M. Graham Public Safety Building"
- b. Next meetings date:
 - Special Meeting: 6:00 p. m., Tuesday, December 8, 2020
 - Special Meeting: 6:00 p. m., Tuesday, January 5, 2021
 - Regular Meeting: 6:00 p. m., Tuesday, January 26, 2021

11. Executive Session – If needed.

12. Adjournment

FY20 Audited Financial Statements



City of Isle of Palms, South Carolina

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City of Isle of Palms, South Carolina

List of Elected and Appointed Officials

For the Year Ended June 30, 2020

MAYOR

Jimmy Carroll

CITY COUNCIL MEMBERS

Randy Bell

Ryan Buckhannon

Kevin Popson

John Moye

Phillip Pounds

Rusty Streetman

Susan Hill Smith

Jimmy Ward

APPOINTED OFFICIALS

City Administrator

City Treasurer

City Clerk

Clerk of Court

Building Official

Director of Building, Planning, and Zoning

Fire Chief

Chief of Police

Public Works Director

Recreation Director

Desirée Fragoso

Debbie Schimsa Suggs

Nicole DeNeane

Amy Wilkerson

William Seabrook

Douglas Kerr

Ann Graham

Kevin Cornett

Donnie Pitts

Norma Jean Page



Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Isle of Palms
Isle of Palms, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Isle of Palms (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules, on pages 3 – 13, 57 – 61, and 62 – 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the combining and individual non-major fund financial statements and schedule of expenditures of federal awards, schedule of budget to actual detailed revenues and expenditures, schedule of expenditures by type, and schedule of fines, assessments, and surcharges, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McKay Kiddy LLC

Mount Pleasant, South Carolina
November 12, 2020

Required Supplementary Information (Unaudited)

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

The management of the City of Isle of Palms (City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020 (FY 2020 or 2020) compared to fiscal year ended June 30, 2019 (FY 2019 or 2019). The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to not only consider the information presented here but also the information provided in the financial statements and notes to the financial statements to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by approximately \$33,518,000 (*net position*). Of this amount, approximately \$26,878,000 and \$6,639,000 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (which may be used to meet the City's ongoing obligations to citizens and creditors) was approximately \$2,679,000 for its governmental activities and approximately \$639,000 for its business-type activities.
- The City's total revenues of approximately \$16,579,000 exceeded total expenses of approximately \$13,921,000, resulting in an increase from the prior fiscal year of approximately \$2,658,000 in net position.
- At the close of 2020, the City's governmental funds reported combined ending fund balances of approximately \$20,244,000, an increase of approximately \$1,216,000 over the prior year's fund balances. Approximately 16% of the total fund balance, or roughly \$3,276,000, is available for spending at the City's discretion (*unassigned fund balance*).
- The City added capital assets of approximately \$3,725,000 during the current fiscal year. Capital asset additions included significant repairs to the Public Safety Building, drainage improvements, vehicles, a diesel generator, radios and equipment, and design costs associated with marina dock replacement. Capital asset additions were offset by depreciation expense of approximately \$1,664,000 and \$134,000 for governmental and business-type activities, respectively. As capital asset additions were more than depreciation expense for the year, total capital assets increased by approximately \$1,927,000 (7%) from FY 2019.
- The City's total debt remained consistent with the prior fiscal year due to proceeds from a capital lease offset by normally scheduled debt service payments.
- The City continues to hold an "Aa1" rating from Moody's.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of two parts – *Financial Section* (which includes management's discussion and analysis, the financial statements, the notes to the financial statements, required supplementary information, and supplementary information) and the *Compliance Section*.

Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements present two different views of the City through the use of government-wide statements and fund financial statements.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

Government-wide Financial Statements. The financial statements include two statements that present different views of the City. These are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the differences between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include; general government; public safety; building, planning and engineering; public works; recreation; and non-departmental services. Taxes, business licenses, building permits, and state and federal grant revenues finance most of these activities. The business-type activities are the City's marina operations. The government-wide financial statements can be found as listed in the table of contents.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – *Governmental funds* are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow (in and out), and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view to determine if there are more or less financial resources available to finance the City's services. The relationship between *governmental activities* (reported in the government-wide financial statements) and *governmental funds* is described in a reconciliation that is a part of the fund financial statements.

The City maintains nine (9) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, Municipal Accommodations Fee Fund, State Accommodations Tax Fund, Hospitality Tax Fund, and Beach Preservation Fee Fund – since they are considered major funds. Information from the other three (3) governmental funds is combined into aggregated presentations – non-major governmental funds. Individual fund data for each of these non-major governmental funds are provided in the form of combining schedules elsewhere in this report. The governmental fund financial statements can be found as listed in the table of contents.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

Proprietary Funds – The City maintains one type of proprietary fund. *Enterprise Funds* are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City uses an enterprise fund to account for its marina operations. The proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. *Agency Funds* are used to account for assets the City holds on behalf of others. The City's 1% Volunteer Fire Department Fund is used by the City to account for the receipt and disbursement of funds received from the State relating to the payment of 1% of the premiums received by insurance companies. Agency funds are custodial in nature and do not present results of operations. The financial statement of the fiduciary fund can be found as listed in the table of contents.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other Information – In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. Budgetary comparison schedules have been provided for the General Fund and all of the major special revenue funds with legally adopted budgets to demonstrate compliance with their budgets. Pension schedules have been included to provide information regarding the City's participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required supplementary information can be found as listed in the table of contents.

Supplementary information, including non-major governmental funds, is presented immediately following the required supplementary information. These schedules can be found as listed in the table of contents.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

Figure A-1
Major Features of the City's Government-Wide and Fund Financial Statements

	Fund Financial Statements			
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds).	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses, in the City's case, all activities related to the Marina.	Instances in which the City is the trustee or agent for someone else's resources, in the City's case, 1% Volunteer Fire Department Fund.
Required Financial Statements	* Statement of Net Position * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balances	* Statement of Net Position * Statement of Revenues, Expenses and Changes in Net Position * Statement of Cash Flows	* Statement of Fiduciary Assets and Liabilities
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements - both financial and capital, and short-term and long-term.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City's net position as of June 30, 2020 compared to June 30, 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 21,788,949	\$ 20,304,946	\$ 668,478	\$ 700,045	\$ 22,457,427	\$ 21,004,991
Capital Assets, Net	22,472,906	20,534,808	5,999,932	6,011,213	28,472,838	26,546,021
Total Assets	44,261,855	40,839,754	6,668,410	6,711,258	50,930,265	47,551,012
Deferred Outflows of Resources:						
Deferred Outflows Related to Pensions	1,687,449	2,227,488	-	-	1,687,449	2,227,488
Liabilities						
Long-Term Obligations	6,407,389	6,370,580	-	-	6,407,389	6,370,580
Net Pension Liability	10,656,580	11,126,593	-	-	10,656,580	11,126,593
Other Liabilities	1,463,603	1,251,913	29,037	80,498	1,492,640	1,332,411
Total Liabilities	18,527,572	18,749,086	29,037	80,498	18,556,609	18,829,584
Deferred Inflows of Resources:						
Deferred Inflows Related to Pensions	532,195	78,014	-	-	532,195	78,014
Unearned Revenue	11,371	11,371	-	-	11,371	11,371
Total Deferred Inflows of Resources	543,566	89,385	-	-	543,566	89,385
Net Position						
Net Investment in Capital Assets	16,198,048	14,260,905	5,999,932	6,011,213	22,197,980	20,272,118
Restricted	8,001,286	7,591,722	-	-	8,001,286	7,591,722
Unrestricted	2,678,832	2,376,144	639,441	619,547	3,318,273	2,995,691
Total Net Position	\$ 26,878,166	\$ 24,228,771	\$ 6,639,373	\$ 6,630,760	\$ 33,517,539	\$ 30,859,531

The City had total assets of approximately \$50,930,000 as of June 30, 2020, an increase of \$3,379,000 for the year. \$1,927,000 of the increase related to capital assets while the remaining increase related to shorter term assets. The growth in non-capital assets resulted primarily from the City's strong fiscal performance with total revenues exceeding total expenses by \$2,658,000. Total liabilities as of June 30, 2020 decreased by approximately \$273,000 due primarily to a decrease in the net pension liability. New debt was incurred in fiscal year 2020 related to proceeds from a new capital lease for the purchase of a fire department vehicle but this increase in debt was offset by regularly scheduled payments on the outstanding bonds.

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$33,518,000 as of June 30, 2020. Approximately 66% of total net position (\$22,198,000) reflects the City's investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 24% of net position (\$8,001,000) represents resources that are subject to external restrictions on how they may be used. This portion of the net position is restricted primarily for special revenue programs which are restricted by the revenue source. The remaining portion of the City's net position (10% or \$3,318,000) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

At the end of the current and prior fiscal year, the City is able to report positive balances in all three categories of net position.

The following table shows the changes in the City's net position for 2020 compared to 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,791,137	\$ 5,850,862	\$ 289,859	\$ 416,486	\$ 6,080,996	\$ 6,267,348
Capital Grants and Contributions	124,884	1,117,999	-	-	124,884	1,117,999
General Revenues:						
Taxes	9,777,976	10,666,906	-	-	9,777,976	10,666,906
Other	585,987	594,547	9,262	15,102	595,249	609,649
Total Revenues	16,279,984	18,230,314	299,121	431,588	16,579,105	18,661,902
Expenses:						
General Government	2,101,625	2,320,236	-	-	2,101,625	2,320,236
Public Safety	6,993,612	7,170,217	-	-	6,993,612	7,170,217
Building, Planning and Engineering	455,726	454,932	-	-	455,726	454,932
Public Works	2,171,499	1,987,289	-	-	2,171,499	1,987,289
Recreation	1,256,066	1,368,338	-	-	1,256,066	1,368,338
Non-Departmental	409,387	447,405	-	-	409,387	447,405
Interest on Long-Term Obligations	189,220	213,669	-	-	189,220	213,669
Marina	-	-	343,962	318,517	343,962	318,517
Total Expenses	13,577,135	13,962,086	343,962	318,517	13,921,097	14,280,603
Change in Net Position Before Transfers	2,702,849	4,268,228	(44,841)	113,071	2,658,008	4,381,299
Transfer In (Out)	(53,454)	(417,913)	53,454	417,913	-	-
Change in Net Position	2,649,395	3,850,315	8,613	530,984	2,658,008	4,381,299
Net Position, Beginning of Year	24,228,771	20,378,456	6,630,760	6,099,776	30,859,531	26,478,232
Net Position, End of Year	\$ 26,878,166	\$ 24,228,771	\$ 6,639,373	\$ 6,630,760	\$ 33,517,539	\$ 30,859,531

Governmental Activities:

Governmental activities had a net increase in net position of approximately \$2,649,000 in 2020.

Compared to the prior year, total governmental activities revenue decreased by approximately \$1,950,000 or 11%. Key changes compared to the prior year were as follows:

- Revenues from grants and contributions decreased by approximately 993,000 over the prior year.
- Revenues from tourism, including accommodations and hospitality taxes, decreased by approximately \$1,002,000 or 19% from the prior year due to the economic impact of COVID-19.

Expenses related to total governmental activities decreased by approximately \$385,000, or 3%, from the prior year. Key changes as compared to the prior year were due to overall decreases in general government, public safety, and recreation as a result of personnel vacancies and internal efforts to reduce spending to offset the economic impact of COVID-19.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
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Business-Type Activities:

Net position related to business-type activities (i.e., the marina) increased by approximately \$9,000. This increase was primarily due to budgeted transfers in of \$53,000 from other funds, offset by an excess of Marina expenses (primarily interest on debt, depreciation, dock insurance, and professional services) over generated revenue (lease income) equal to approximately \$45,000.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2020, the City's governmental funds reported a combined ending fund balance of approximately \$20,244,000, an increase of approximately \$1,216,000, or 6%, over the prior year's combined fund balance.

Approximately 16% of the total governmental fund balance (\$3,185,000) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is not available for new discretionary spending because it has already been constrained: (1) for tourism-related expenditures or operating expenses incurred to serve tourists (\$4,078,000), (2) for recovery efforts on future disasters (\$2,810,000), (3) for capital projects (\$5,700,000), (4) for debt service (\$328,000), (5) for beach preservation (\$3,454,000) and (6) for other purposes primarily related to either police department initiatives, island beautification, drainage initiatives, recreation center improvements, victim services, narcotics programs, and inventories (\$689,000).

The General Fund is the primary operating fund of the City. At June 30, 2020, the total fund balance was approximately \$6,457,000. As a measure of the General Fund's liquidity, it is useful to compare total unassigned fund balance to total General Fund expenditures. Total unassigned fund balance of the General Fund (\$3,185,000) represents approximately 31% of total General Fund expenditures (\$10,358,000).

Highlights for General Fund revenues and other financing sources were as follows:

- Total General Fund revenues were up by approximately \$32,000 from the prior year. The most significant changes were:
 - Property tax revenue increased by \$95,000 due primarily to new construction. The City's millage rate was unchanged from the prior year rate of 24.7 mills.
 - Licenses and permits revenues decreased approximately \$48,000 due mainly to the economic impact of COVID-19.
 - Revenues from parking fees were down \$12,000 due primarily to the economic impact of COVID-19.
 - Revenues from grants and contributions increased by approximately \$29,000.
 - Local option sales tax revenues were down \$18,000 due to the economic impact of COVID-19.

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- The City supplemented General Fund revenues with tourism-related revenues where appropriate. In FY 2020, \$828,000 of tourism-related revenue including the accommodations and hospitality tax funds were transferred into the General Fund to help pay for public safety and public works efforts required for tourism. This is a decrease of \$98,000 over FY 2019.

Total General Fund expenditures of \$10,358,000 decreased by \$136,000, or 1%, over FY 2019.

The total fund balance of the remaining governmental funds (Capital Projects, Special Revenue, and Non-major Funds) increased by approximately \$777,000 from the prior year. Highlights for these funds were as follows:

- The Capital Projects Fund expended approximately \$2,172,000 during the fiscal year for repairs to the Public Safety Building, drainage improvements and the purchase of vehicles, equipment, and various other capital assets. The General Fund transferred approximately \$1,729,000 into the Capital Projects Fund for future capital expenditures. The ending fund balance in the Capital Projects Fund was approximately \$6,141,000.

Proprietary Fund. The City's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Net position of the Marina Enterprise Fund at the end of FY 2020 amounted to approximately \$6,639,000. Please see "Business-Type Activities" discussion in the previous section for details.

Fiduciary Fund. The Volunteer Fire Department Fund is used by the City to account for the receipt and disbursement of funds received from the State relating to the payment of 1% of the premiums received by fire insurance companies. Agency funds are custodial in nature and do not present results of operations. The Fiduciary Fund had amounts held in custody for others of approximately \$26,000 at June 30, 2020.

General Fund Budgetary Highlights: If budget amendments are made, they generally fall into one of three categories: amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and increases in appropriations that become necessary to maintain services. The City did not make any budget amendments during FY 2020.

City of Isle of Palms, South Carolina
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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2020 amounted to approximately \$28,473,000. Capital assets primarily include land, construction in progress, buildings, improvements, vehicles, furniture, equipment, and other infrastructure. The City's capital assets (net of depreciation) as of June 30, 2020 and 2019 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,272,896	\$ 4,272,896	\$ 3,035,786	\$ 3,035,786	\$ 7,308,682	\$ 7,308,682
Construction in Progress	2,620,614	2,988,781	107,257	-	2,727,871	2,988,781
Land Improvements	3,765,914	1,380,531	2,072,256	2,148,450	5,838,170	3,528,981
Buildings and Improvements	8,926,081	9,524,294	209,062	220,312	9,135,143	9,744,606
Vehicles and Vehicle Equipment	1,958,597	1,268,639	-	-	1,958,597	1,268,639
Equipment	927,425	1,098,011	504,254	517,519	1,431,679	1,615,530
Furniture and Fixtures	1,379	1,656	71,317	89,146	72,696	90,802
Total	\$ 22,472,906	\$ 20,534,808	\$ 5,999,932	\$ 6,011,213	\$ 28,472,838	\$ 26,546,021

The total increase in the City's capital assets for FY 2020 was approximately \$1,927,000 or 7%. The increase resulted because capital asset additions for the year were higher than depreciation expense for the year. Major capital asset events during FY 2020 included the following:

- Capital asset additions of approximately \$3,725,000 consisted primarily of:
 - Police, fire and public works vehicles for approximately \$1,090,000, including a new 75' Fire ladder truck
 - Public Works diesel generator for approximately \$64,000
 - Police, fire, and recreation radios and equipment for approximately \$22,000
 - Costs associated with underground storage tank replacement of for approximately \$15,000
 - Renovation of the Public Works building for approximately \$2,264,000
 - Drainage improvements of approximately \$161,000 including the 45th – 52nd Avenue Drainage project
 - Engineering and design costs associated with Marina dock replacement for approximately \$107,000
- Depreciation expense of approximately \$1,664,000 for governmental activities and \$134,000 for business-type activities.

Additional information on the City's capital assets can be found in Notes I and III in the notes to the financial statements.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
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Debt Administration

As of June 30, 2020, the City had total outstanding debt of approximately \$6,056,000. This debt consisted of general obligation bonds (GOB) which are backed by the full faith and credit of the City and a new capital lease in FY 2020 for a fire ladder truck. The City's total debt as of June 30, 2020 and 2019 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 5,300,000	\$ 6,060,000	\$ -	\$ -	\$ 5,300,000	\$ 6,060,000
Capital lease	756,352	-	-	-	756,352	-
Total	\$ 6,056,352	\$ 6,060,000	\$ -	\$ -	\$ 6,056,352	\$ 6,060,000

The City's overall debt for FY 2020 remained similar to FY 2019 due to the new lease proceeds in FY 2020 offset by the principal payments on the GOB.

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The City's statutory debt limit at June 30, 2020 was approximately \$19,680,000. The City had \$4,670,000 of bonded debt subject to the 8% limit and, thus, as of June 30, 2020 had an unused legal debt margin of approximately \$15,010,000.

Additional information regarding the City's long-term obligations and pension amounts can be found in Note III and Note IV.B, respectively, in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected officials and staff considered many factors when setting the fiscal year 2021 (FY 2021 or 2021) budget. The state of the economy, the potential impacts of COVID-19 on tourism activity, anticipated building activity, future capital needs and the best interests of the City's residents were all taken into account.

- **Millage and Property Tax Revenues:** 2020 was a reassessment year in Charleston County. As required by law, the City's operating millage rate was decreased to reflect the increase in property values. At the same time, there was an increase in the debt service millage to cover the cost of a new GO Bond to finance drainage improvements. The net effect is a total millage rate for FY2021 of 23.3 compared to the 24.7 millage rate effective for FY 2020. The City's 2021 budget includes property tax revenue of \$4,757,000 which is approximately \$240,000 more than actual FY 2020 collections.
- **Business Licenses and Building Permits:** The City's 2021 budget for revenues from business licenses and building permits was based on 2020 actual results, assuming a 25% decline due to COVID-19 as renewals are based on prior year's gross revenues.
- **Tourism-Related Revenues:** Total revenues from State Accommodations Tax, Municipal Accommodations Fee, Hospitality Tax and the Beach Preservation Fee are budgeted based on the most recent collections. The total FY 2021 budget for these revenues is approximately \$3,762,000, which is a 31% decrease over the FY 2020 budget, as a result of the possible decline in economic activity due to COVID-19.
- **Salaries and Wages:** The 2021 budget includes a 2% provision for merit-based salary and wage adjustments.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Management's Discussion and Analysis
Year Ended June 30, 2020

- **Capital Outlay:** The 2021 budget includes approximately \$3,904,000 to complete the repair of the Public Safety building, \$3,120,000 for construction of the phase 3 drainage outfall project, \$2,875,000 for construction of new Marina docks, \$500,000 for several smaller drainage projects, and \$600,000 for the 95' Ladder refurbishment.

REQUESTS FOR CITY INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's financing. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, Post Office Drawer 508, Isle of Palms, South Carolina 29451. General information about the City can be obtained from the website at www.iop.net.



Basic Financial Statements

Government-wide Financial Statements

City of Isle of Palms, South Carolina
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 12,735,211	\$ 559,190	\$ 13,294,401
Cash and Cash Equivalents - Restricted	7,287,484	-	7,287,484
Taxes Receivable, Net	195,594	-	195,594
Other Receivables, Net	1,325,694	109,288	1,434,982
Due from Other Governments	222,880	-	222,880
Inventory	22,086	-	22,086
Capital Assets:			
Non-Depreciable	6,893,510	3,143,043	10,036,553
Depreciable, Net	15,579,396	2,856,889	18,436,285
Total Capital Assets	22,472,906	5,999,932	28,472,838
Total Assets	\$ 44,261,855	\$ 6,668,410	\$ 50,930,265
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	\$ 1,687,449	\$ -	\$ 1,687,449
Liabilities			
Accounts Payable	\$ 855,122	\$ 13,537	\$ 868,659
Other Accrued Liabilities	516,370	15,500	531,870
Court Assessments/Victim's Rights Liabilities	29,106	-	29,106
Accrued Interest	63,005	-	63,005
Net Pension Liabilities	10,656,580	-	10,656,580
Long-Term Obligations:			
Due Within One Year	1,096,579	-	1,096,579
Due In More Than One Year	5,310,810	-	5,310,810
Total Long-Term Obligations	6,407,389	-	6,407,389
Total Liabilities	\$ 18,527,572	\$ 29,037	\$ 18,556,609
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	\$ 532,195	\$ -	\$ 532,195
Unearned Revenue	11,371	-	11,371
Total Deferred Inflows of Resources	543,566	-	543,566
Net Position			
Net Investment in Capital Assets	\$ 16,198,048	\$ 5,999,932	\$ 22,197,980
Restricted for:			
Tourism Related Expenditures	4,077,716	-	4,077,716
Beach Preservation	3,454,195	-	3,454,195
Debt Service	327,789	-	327,789
Victim Services	29,112	-	29,112
Beautification	112,474	-	112,474
Total Restrictions	8,001,286	-	8,001,286
Unrestricted	2,678,832	639,441	3,318,273
Total Net Position	\$ 26,878,166	\$ 6,639,373	\$ 33,517,539

See accompanying notes and independent auditor's report.

City of Isle of Palms, South Carolina
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total Primary Government
			Grants and Contributions				
Primary Government:							
Governmental Activities:							
General Government	\$ 2,101,625	\$ -	\$ -	\$ 124,884	\$ (1,976,741)	\$ -	\$ (1,976,741)
Public Safety	6,993,612	282,581	-	-	(6,711,031)	-	(6,711,031)
Building, Planning, and Engineering	455,726	4,320,407	-	-	3,864,681	-	3,864,681
Public Works	2,171,499	-	-	-	(2,171,499)	-	(2,171,499)
Recreation	1,256,066	215,891	-	-	(1,040,175)	-	(1,040,175)
Non-Departmental	409,387	972,258	-	-	562,871	-	562,871
Interest on Long-Term Obligations	189,220	-	-	-	(189,220)	-	(189,220)
Total Governmental Activities	13,577,135	5,791,137	-	124,884	(7,661,114)	-	(7,661,114)
Business-Type Activities:							
Marina	343,962	289,859	-	-	-	(54,103)	(54,103)
Total Primary Government	\$ 13,921,097	\$ 6,080,996	\$ -	\$ 124,884	(7,661,114)	(54,103)	(7,715,217)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					3,834,999	-	3,834,999
Property Taxes Levied for Debt Service Purposes					735,711	-	735,711
Local Option Sales Taxes					799,984	-	799,984
Hospitality Taxes					603,275	-	603,275
Accommodations Taxes					3,804,007	-	3,804,007
Total Taxes					9,777,976	-	9,777,976
Intergovernmental					148,539	-	148,539
Interest Income					328,022	9,262	337,284
Gain on Disposal of Capital Assets					44,581	-	44,581
Miscellaneous					64,845	-	64,845
Total Other					585,987	9,262	595,249
Transfers (Out) In					(53,454)	53,454	-
Total General Revenues and Transfers					10,310,509	62,716	10,373,225
Changes In Net Position					2,649,395	8,613	2,658,008
Net Position, Beginning of Year					24,228,771	6,630,760	30,859,531
Net Position, End of Year					\$ 26,878,166	\$ 6,639,373	\$ 33,517,539

See accompanying notes and independent auditor's report.

Fund Financial Statements

City of Isle of Palms, South Carolina
Reconciliation of Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

	General Fund	Capital Projects Fund	Municipal Accom- modations Fee Fund
Assets			
Cash and Cash Equivalents	\$ 6,873,982	\$ 5,861,229	\$ -
Cash and Cash Equivalents - Restricted	30,739	-	1,183,112
Taxes Receivable, Net	195,594	-	-
Accounts Receivable	429,816	-	246,287
Due From:			
Other Governments	222,880	-	-
Other Funds	-	591,710	-
Inventory	22,086	-	-
Total Assets	\$ 7,775,097	\$ 6,452,939	\$ 1,429,399
Liabilities			
Accounts Payable	\$ 35,350	\$ 311,594	\$ 145,777
Other Accrued Liabilities	516,370	-	-
Court Assessments/Victim's Rights Liabilities	29,106	-	-
Due To:			
Other Funds	592,532	-	-
Total Liabilities	1,173,358	311,594	145,777
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	132,937	-	-
Unearned Revenue	11,371	-	-
Total Deferred Inflows of Resources	144,308	-	-
Fund Balances			
Nonspendable:			
Inventory	22,086	-	-
Restricted:			
Victim Services	-	-	-
Debt Service	327,789	-	-
Tourism Related Expenditures	-	-	1,283,622
Beach Preservation	-	-	-
Beautification	112,474	-	-
Committed:			
Recovery Efforts on Future Disasters	2,809,659	-	-
Assigned:			
Drainage Improvements	-	441,445	-
Recreation Center	-	-	-
Capital Projects	-	5,699,900	-
Other	-	-	-
Unassigned	3,185,423	-	-
Total Fund Balances	6,457,431	6,141,345	1,283,622
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,775,097	\$ 6,452,939	\$ 1,429,399

See accompanying notes and independent auditor's report.

City of Isle of Palms, South Carolina
Reconciliation of Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

	State Accom- modations Tax Fund	Hospitality Tax Fund	Beach Preservation Fee Fund
Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	1,606,364	1,077,866	3,276,870
Taxes Receivable, Net	-	-	-
Accounts Receivable	354,997	66,947	227,647
Due From:			
Other Governments	-	-	-
Other Funds	-	-	-
Inventory	-	-	-
Total Assets	\$ 1,961,361	\$ 1,144,813	\$ 3,504,517
Liabilities			
Accounts Payable	\$ 280,498	\$ 31,582	\$ 50,322
Other Accrued Liabilities	-	-	-
Court Assessments/Victim's Rights Liabilities	-	-	-
Due To:			
Other Funds	-	-	-
Total Liabilities	280,498	31,582	50,322
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	-	-	-
Unearned Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances			
Nonspendable:			
Inventory	-	-	-
Restricted:			
Victim Services	-	-	-
Debt Service	-	-	-
Tourism Related Expenditures	1,680,863	1,113,231	-
Beach Preservation	-	-	3,454,195
Beautification	-	-	-
Committed:			
Recovery Efforts on Future Disasters	-	-	-
Assigned:			
Drainage Improvements	-	-	-
Recreation Center	-	-	-
Capital Projects	-	-	-
Other	-	-	-
Unassigned	-	-	-
Total Fund Balances	1,680,863	1,113,231	3,454,195
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,961,361	\$ 1,144,813	\$ 3,504,517

City of Isle of Palms, South Carolina
Reconciliation of Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

	Total Non-Major Funds	Total Governmental Funds
Assets		
Cash and Cash Equivalents	\$ -	\$ 12,735,211
Cash and Cash Equivalents - Restricted	112,533	7,287,484
Taxes Receivable, Net	-	195,594
Accounts Receivable	-	1,325,694
Due From:		
Other Governments	-	222,880
Other Funds	822	592,532
Inventory	-	22,086
Total Assets	\$ 113,355	\$ 22,381,481
Liabilities		
Accounts Payable	\$ -	\$ 855,123
Other Accrued Liabilities	-	516,370
Court Assessments/Victim's Rights Liabilities	-	29,106
Due To:		
Other Funds	-	592,532
Total Liabilities	-	1,993,131
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	-	132,937
Unearned Revenue	-	11,371
Total Deferred Inflows of Resources	-	144,308
Fund Balances		
Nonspendable:		
Inventory	-	22,086
Restricted:		
Victim Services	29,112	29,112
Debt Service	-	327,789
Tourism Related Expenditures	-	4,077,716
Beach Preservation	-	3,454,195
Beautification	-	112,474
Committed:		
Recovery Efforts on Future Disasters	-	2,809,659
Assigned:		
Drainage Improvements	-	441,445
Recreation Center	84,243	84,243
Capital Projects	-	5,699,900
Other	-	-
Unassigned	-	3,185,423
Total Fund Balances	113,355	20,244,042
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 113,355	\$ 22,381,481

City of Isle of Palms, South Carolina
Reconciliation of Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Fund Balances - Governmental Funds	\$ 20,244,042
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:	
Property taxes that will be collected in the future but are not available soon enough to pay for the current period's expenditures are, therefore, deferred in the funds.	132,937
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets was \$39,009,011 and the accumulated depreciation was \$16,536,105.	22,472,906
The City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(9,501,326)
Accrued interest payable is recognized for governmental activities but was not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(63,004)
Long-term obligations (which includes debt and compensated absences) are not due or payable in the current period and, therefore, are not reported in the governmental funds.	
Debt	(5,300,000)
Capital Lease Payable	(756,352)
Compensated Absences	(351,037)
Total Net Position - Governmental Activities	<u>\$ 26,878,166</u>

City of Isle of Palms, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Municipal Accom- modations Fee Fund</u>
Revenues			
Property Taxes	\$ 4,517,683	\$ -	\$ -
Local Option Sales Tax	799,984	-	-
Hospitality Taxes	-	-	-
Intergovernmental	257,646	-	1,233,687
Licenses and Permits	4,320,407	-	-
Fines and Forfeitures	277,428	-	-
Grant Revenue	119,697	5,187	-
Revenue from Use of Property	972,258	-	-
Interest	131,603	81,933	25,891
Other	257,262	10,000	-
Total Revenues	<u>11,653,968</u>	<u>97,120</u>	<u>1,259,578</u>
Expenditures			
Current:			
General Government	1,159,019	11,232	27,595
Public Safety	5,768,443	9,272	34,020
Building, Planning, and Engineering	410,875	-	-
Public Works	1,302,113	72,102	139,878
Recreation	914,114	40,789	-
Non-Departmental	80,805	-	178,220
Capital Outlay	-	2,172,148	735,065
Debt Service:			
Principal	555,000	-	82,000
Interest	167,983	-	5,611
Total Expenditures	<u>10,358,352</u>	<u>2,305,543</u>	<u>1,202,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,295,616</u>	<u>(2,208,423)</u>	<u>57,189</u>
Other Financing Sources (Uses)			
Transfers In	918,690	1,728,994	-
Transfers Out	(1,820,026)	-	(395,615)
Capital Lease	-	848,267	-
Sale of Capital Assets	44,581	-	-
Total Other Financing Sources (Uses)	<u>(856,755)</u>	<u>2,577,261</u>	<u>(395,615)</u>
Net Changes In Fund Balances	438,861	368,838	(338,426)
Fund Balances, Beginning of Year	\$ 6,018,570	\$ 5,772,507	\$ 1,622,048
Fund Balances, End of Year	<u>\$ 6,457,431</u>	<u>\$ 6,141,345</u>	<u>\$ 1,283,622</u>

City of Isle of Palms, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	<u>State Accom-</u> <u>modations Tax Fund</u>	<u>Hospitality Tax Fund</u>	<u>Beach Preservation</u> <u>Fee Fund</u>
Revenues			
Property Taxes	\$ -	\$ -	\$ -
Local Option Sales Tax	-	-	-
Hospitality Taxes	-	603,275	-
Intergovernmental	1,598,026	-	863,187
Licenses and Permits	-	-	-
Fines and Forfeitures	-	-	-
Grant Revenue	-	-	-
Revenue from Use of Property	-	-	-
Interest	26,421	16,903	43,953
Other	-	-	-
Total Revenues	<u>1,624,447</u>	<u>620,178</u>	<u>907,140</u>
Expenditures			
Current:			
General Government	573,120	-	72,712
Public Safety	2,353	16,289	-
Building, Planning, and Engineering	-	-	-
Public Works	4,444	131,917	-
Recreation	11,614	34,212	-
Non-Departmental	150,362	-	-
Capital Outlay	664,144	30,576	-
Debt Service:			
Principal	-	123,000	-
Interest	-	18,894	-
Total Expenditures	<u>1,406,037</u>	<u>354,888</u>	<u>72,712</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>218,410</u>	<u>265,290</u>	<u>834,428</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(258,667)	(229,830)	-
Capital Lease	(91,915)	-	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	<u>(350,582)</u>	<u>(229,830)</u>	<u>-</u>
Net Changes In Fund Balances	(132,172)	35,460	834,428
Fund Balances, Beginning of Year	\$ 1,813,035	\$ 1,077,771	\$ 2,619,767
Fund Balances, End of Year	<u>\$ 1,680,863</u>	<u>\$ 1,113,231</u>	<u>\$ 3,454,195</u>

City of Isle of Palms, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	Total Non-Major Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ -	\$ 4,517,683
Local Option Sales Tax	-	799,984
Hospitality Taxes	-	603,275
Intergovernmental	-	3,952,546
Licenses and Permits	-	4,320,407
Fines and Forfeitures	5,153	282,581
Grant Revenue	-	124,884
Revenue from Use of Property	-	972,258
Interest	1,318	328,022
Other	13,474	280,736
Total Revenues	19,945	16,182,376
Expenditures		
Current:		
General Government	-	1,843,678
Public Safety	8,742	5,839,119
Building, Planning, and Engineering	-	410,875
Public Works	-	1,650,454
Recreation	5,168	1,005,897
Non-Departmental	-	409,387
Capital Outlay	-	3,601,933
Debt Service:		
Principal	-	760,000
Interest	-	192,488
Total Expenditures	13,910	15,713,831
Excess (Deficiency) of Revenues Over Expenditures	6,035	468,545
Other Financing Sources (Uses)		
Transfers In	3,000	2,650,684
Transfers Out	-	(2,704,138)
Capital Lease	-	756,352
Sale of Capital Assets	-	44,581
Total Other Financing Sources (Uses)	3,000	747,479
Net Changes In Fund Balances	9,035	1,216,024
Fund Balances, Beginning of Year	\$ 104,320	\$ 19,028,018
Fund Balances, End of Year	\$ 113,355	\$ 20,244,042

City of Isle of Palms, South Carolina
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Total Net Change In Fund Balances - Governmental Funds		\$ 1,216,024
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:		
Property taxes that will be collected in the future, but are not available soon enough to pay for the current period's expenditures are, therefore, deferred in the funds.		53,027
Bond principal and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		
Bond principal payments		760,000
Capital lease payments		91,915
The issuance of long-term debt (capital lease) provides current financial resources to the governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position.		(848,267)
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and payable and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and payable. This adjustment relates to the change in accrued interest from the prior year.		3,268
Governmental funds report the City's pension contributions as expenditures, however in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which costs of benefits earned (\$1,457,865) exceed employee contributions (\$933,662).		(524,206)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(40,464)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense.		
Capitalized capital outlay in the current period	3,601,933	
Depreciation expense in the current period	<u>(1,663,835)</u>	<u>1,938,098</u>
Total Change In Net Position - Governmental Activities		<u><u>\$ 2,649,395</u></u>

City of Isle of Palms, South Carolina
Statement of Net Position
Proprietary Fund
June 30, 2020

	Marina Enterprise Fund
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 559,190
Accounts Receivable, Net	109,288
Total Current Assets	668,478
Noncurrent Assets	
Capital Assets:	
Land	3,035,786
Construction in Progress	107,257
Land Improvements	2,960,827
Building and Improvements	846,998
Docks	674,861
Equipment	841,825
Less: Accumulated Deprecation	(2,467,622)
Total Noncurrent Assets	5,999,932
Total Assets	6,668,410
Liabilities	
Current Liabilities	
Accounts Payable	13,537
Security Deposits	15,500
Total Current Liabilities	29,037
Total Liabilities	29,037
Net Position	
Net Investment in Capital Assets	5,999,932
Unrestricted	639,441
Total Net Position	\$ 6,639,373

City of Isle of Palms, South Carolina
Statement of Revenues, Expenditures, and
Changes in Net Position – Proprietary Fund
Year Ended June 30, 2020

	Marina Enterprise Fund
Operating Revenues	
Lease Income	\$ 289,859
Total Operating Revenues	<u>289,859</u>
Operating Expenses	
Depreciation	133,877
Insurance	101,846
Professional Services	47,182
Bad Debt	30,000
Utilities	1,779
Maintenance and Service Contracts	<u>29,278</u>
Total Operating Expense	<u>343,962</u>
Operating Loss	<u>(54,103)</u>
Non-Operating Revenues	
Interest Income	<u>9,262</u>
Total Non-Operating Revenues	<u>9,262</u>
Loss Before Transfers	(44,841)
Transfers In	<u>53,454</u>
Change In Net Position	8,613
Net Position, Beginning of Year	<u>6,630,760</u>
Net Position, End of Year	<u><u>\$ 6,639,373</u></u>

City of Isle of Palms, South Carolina
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2020

	Marina Enterprise Fund
Cash Flows From Operating Activities	
Cash Received from Customers	\$ 285,878
Cash Payments to Suppliers for Goods and Services	<u>(261,546)</u>
Net Cash Provided By Operating Activities	<u>24,332</u>
Cash Flows From Non-Capital Financing Activities	
Transfer from Other Funds	<u>53,454</u>
Net Cash Provided By Non-Capital Financing Activities	<u>53,454</u>
Cash Flows From Investing Activities	
Purchases of Capital Assets	(122,596)
Investment Earnings	<u>9,262</u>
Net Cash Used In Investing Activities	<u>(113,334)</u>
Net Decrease In Cash and Cash Equivalents	(35,548)
Cash and Cash Equivalents, Beginning of Year	<u>594,738</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 559,190</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities:	
Operating Loss	\$ (54,103)
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:	
Depreciation Expense	133,877
Change Due to Increase in Operating Assets:	
Other Receivable	(3,981)
Change Due to Increase in Operating Liabilities:	
Other Payables	<u>(51,461)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 24,332</u></u>

City of Isle of Palms, South Carolina
Statement of Assets and Liabilities
Fiduciary Fund – Agency Fund
June 30, 2020

	<u>Volunteer Fire Department</u>
Assets	
Cash and Cash Equivalents	\$ 26,309
Total Assets	<u>\$ 26,309</u>
Liabilities	
Accounts Payable	\$ 666
Due to Volunteer Fire Department	<u>25,643</u>
Total Liabilities	<u>\$ 26,309</u>

City of Isle of Palms, South Carolina

Notes to the Financial Statements

The City of Isle of Palms, South Carolina (the City) encompasses an area of approximately 4.5 square miles. Incorporated in 1953, the City has grown into a recreational center for the coastal area of South Carolina. It serves over 4,100 full-time City residents and approximately 300,000 to 500,000 tourists annually. The City operates under a Council form of government. The mayor and eight members of council (the Council) establish policy for the City. Administrative functions are directed by the City Administrator.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

As required by GAAP, the financial statements must present the City's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity's governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City.

An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity's resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City does not have any component units.

Major Operations

The City's major operations include general government, public safety (police and fire protection), building, planning and engineering, public works, recreation, and a marina.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the Primary Government). The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers property taxes to be available if they are collected within sixty (60) days of the end of the current fiscal period. A 60-day availability period is used for revenue recognition for all other governmental fund revenue with the exception of certain expenditure driven grants for which a one-year availability period is generally used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used as an aid to management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major and non-major funds and fund types are used by the City.

Governmental fund types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities (except for those accounted for in Proprietary and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's governmental fund types and major and non-major funds are as follows:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the City and accounts for all revenues and expenditures of the City except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following special revenue funds:

- i) The **Capital Projects Fund, a major fund** and a budgeted fund, is used to account for financial resources expended for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund or Special Revenue Funds). These funds are also used to carry on specified ongoing major improvement projects or major equipment acquisitions usually spanning more than one fiscal year.
- ii) The **Municipal Accommodations Fee Fund, a major fund** and a budgeted fund, is used to account for the accumulation of resources from the fee imposed on the rental of some accommodations within the City and the allocation of Charleston County Accommodations Fees received. These funds are restricted and thus can only be spent for tourism related expenditures.
- iii) The **State Accommodations Tax Fund, a major fund** and a budgeted fund, is used to account for the accumulation of resources from the accommodations taxes levied by the State of South Carolina and remitted to the City. These funds are restricted and thus can only be spent for advertising, promotion, and tourism related expenditures.
- iv) The **Hospitality Tax Fund, a major fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the City's 2% fee imposed on prepared food and beverage sales within the City. These funds are restricted and thus can only be spent for tourism related expenditures.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

- v) The **Beach Preservation Fee Fund, a major fund** and a budgeted fund, is used to account for the accumulation of resources from a 1% accommodations fee imposed on rental property effective January 1, 2015. These funds are restricted and can be used only to support beach restoration, preservation and maintenance, as well as maintenance of public beach access.
- vi) The **Special Revenue Funds, non-major funds**, are used to account for the specific revenue sources (other than major capital projects) that are restricted by donor, law, or administrative actions to expenditures for specified purposes. Most of these funds have a legally adopted budget and any remaining fund balance is generally restricted for the purpose of the specific revenue source. The City has the following non-major special revenue funds:

State Narcotics

Victim Assistance

Recreation Building

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has one enterprise fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating items. Proprietary Fund types include the following funds:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has one major Enterprise Fund:

The **Marina Enterprise Fund**, a budgeted fund, is used to account for the City's marina operations.

Fiduciary Fund Types include the **Agency Fund**. This fund is used to account for assets held by the City on behalf of individuals, other governments, and/or other funds. The City of Isle of Palms Volunteer Fire Department is accounted for as an Agency Fund. The Agency Fund is custodial in nature and does not present results of operations.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. *Cash, Cash Equivalents, and Investments*

Cash and Cash Equivalents

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with original maturities of more than three months when initially purchased are reported as investments.

Investments

The City's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types, and component units within the State of South Carolina) that authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of Deposit (CD's) where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the Certificates of Deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

The City's cash investment objectives are preservation of capital, liquidity and yield. The City reports its cash and investments at fair market value which is normally determined by quoted market prices. The City currently or in recent past years has generally used the following investments:

- South Carolina Local Government Investment Pool (the Pool) investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools,"* investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for the Pool may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund receivables or payables have been recorded.

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

3. Inventories and Prepaids

Prepaid items and inventories in the governmental funds are reported under the consumption method as they are recorded as an expenditure at the time individual inventory items are consumed. Inventories are valued at cost (first-in, first-out). Inventories in the General Fund are offset by a fund balance constraint (nonspendable) to reflect that portion of fund balance does not represent available expendable resources.

4. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Fund. These capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Fund are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. As allowed by GAAP, the City has elected to prospectively report public domain (infrastructure) general capital assets. Therefore, infrastructure capital assets acquired prior to July 1, 2000 have not been recorded. Public domain capital assets consist of roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, lighting systems and similar assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The City maintains a minimum capitalization threshold of \$5,000 and capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental and Business- Type Activities
Buildings and Improvements	5-30 years
Docks	10-40 years
Land Improvements	3-30 years
Vehicles and Vehicle Equipment	3-15 years
Equipment	4-20 years
Furniture and Fixtures	10-20 years

5. *Compensated Absences*

The City's general leave policy allows the accumulation of unused vacation leave up to a maximum of thirty (30) days and unused sick leave up to a maximum of ninety (90) days. Employees terminating or retiring are paid for accumulated vacation leave based on their hourly rate of pay earned at the time of separation or retirement. Sick leave can only be used while employed with the City and will not be paid out at termination or retirement.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported in the government-wide financial statements. No portion of the liability is applicable to the Proprietary Fund as the City has no employees working in the marina operations. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year-end that are expected to be paid within a short time subsequent to year end, if they are material.

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements. All current payables and accrued liabilities from governmental funds are reported in the governmental fund financial statements.

In the government-wide financial statements for the Primary Government, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the period incurred.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. Deferred Outflows and Inflows of Resources

As defined by GASB Concept Statement No. 4 “*Elements of Financial Statements*,” deferred outflows of resources and deferred inflows of resources are the consumption of net assets by the government that are applicable to a future reporting period and an acquisition of net assets by the government that are applicable to a future reporting period, respectively.

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one type of deferred outflows of resources. The City reports *deferred outflows related to pensions* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These *deferred outflows related to pensions* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has three types of deferred inflows of resources: (1) The City reports *unavailable revenue – property taxes* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The City reports *deferred inflows related to pensions* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred inflows related to pensions* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP. (3) The City reports *unearned revenue* in its Statement of Net Position related to revenues collected but not earned in the related period.

8. Fund Balance

In accordance with GAAP, the City classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (City Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the City consist of amounts passed and approved by resolution by City Council (Council).

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The City reserves the right to assign fund balance by a simple majority vote of Council. Council, by an approved resolution in its June 26, 2012 meeting, also formally granted the Mayor and City Administrator the right to assign fund balance (when deemed appropriate).

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average

City of Isle of Palms, South Carolina

Notes to the Financial Statements

remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the City during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. Encumbrances and unused expenditure appropriations lapse at year end.

D. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

E. Recent Accounting Pronouncement

In May 2020, the GASB issued GASB Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The objective of Statement 95 was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement extended the effective date of various GASB statements by one year. Additionally, Statement 95 extended Statement 87, Leases by 18 months (effective for fiscal years beginning after June 15, 2021).

F. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

G. Subsequent Events

Subsequent events are events or transactions that occur after the Statement of Net Position date but before the financial statements are available to be issued. The City recognized in the financial statements the effect of all subsequent events that provide additional evidence about conditions that existed at the date of the Statement of Net Position, including estimates inherent in the process of preparing the financial statements. The City's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the Statement of Net Position but arose after the Statement of Net Position and before the financial statements were available to be issued.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

Management has evaluated subsequent events through the date the financial statements were available to be issued, and concluded there were no subsequent events to disclose.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization declared COVID-19 to constitute a “Public Health Emergency of International Concern” and characterized COVID-19 as a pandemic. The U.S. government implemented enhanced screenings, quarantine requirements, and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus began causing business disruptions domestically beginning in January 2020 and are anticipated to continue for the foreseeable future. The City expects the ramifications of COVID-19 to have an impact on its results. The extent of the impact of COVID-19 on the City’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related restrictions, all of which are highly uncertain and cannot be predicted.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted on a GAAP basis. During the months of February through May, the City’s Administration, with other departments’ input, develops a preliminary budget model for operational and capital expenditures, and develops revenue projections as a proposed means of financing the proposed expenditures. The City Treasurer and the City Administrator refine the budget model, develop objectives and update trends related to service efforts and accomplishments during the month of April. During May, the proposed budget is presented by the City Administrator to City Council. The budget includes proposed expenditures and the means for financing them.

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. The ordinance sets the limit at the fund level, for which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance. After the City completes the formal budget process, the City prepares and issues the budget report.

Budget accountability rests primarily with the operating departments of the City. In accomplishing the programs and objectives for which the budget was authorized, department directors are responsible for ensuring that their respective expenditures do not exceed the prescribed funding levels.

For each assigned account, the department is obligated to stay within budget by each major expenditure category of personnel, operating, and capital. The City Administrator has the authority to transfer funds within departments and across departmental accounts. All unused expenditure appropriations lapse at year-end.

During the fiscal year, there were no amendments to the original adopted budget.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020 none of the City's bank balances were exposed to custodial credit risk.

Investments

As of June 30, 2020, the City had the following investments:

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity (In Years)
South Carolina Local Government Investment Pool	\$ 18,570,403	Unrated	^

^ Investments in 2a-7 like funds are not required to disclose interest rate risk.

Interest Rate Risk: The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates, but they do follow the investment policy statutes of the State of South Carolina.

The City does not typically buy security investments and thus has not developed a policy for credit risk, custodial credit risk, or concentration of credit risk for these types of investments.

Certain cash, cash equivalents, and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2020 were those imposed by the revenue source (i.e. hospitality tax, accommodation taxes, grants, etc.).

The following table reconciles the amounts reported as deposits and investments in the notes to the financial statements to cash and cash equivalents and investments reported in the financial statements:

Statement of Net Position	Amount
Cash and Cash Equivalents	\$ 13,294,401
Cash and Cash Equivalents - Restricted	7,287,484
Statement of Assets and Liabilities - Fiduciary Funds - Agency Fund	
Cash and Cash Equivalents	26,309
Total Cash and Investments per Financial Statements	<u>\$ 20,608,194</u>
Notes	Amount
Carrying Value of Deposits	\$ 2,037,791
Investments	18,570,403
Total Deposits and Investments per Notes to the Financial Statements	<u>\$ 20,608,194</u>

City of Isle of Palms, South Carolina

Notes to the Financial Statements

B. Receivables and Unavailable/Unearned Revenue

Property Taxes and Other Receivables

The City's 2019 property taxes were levied on September 30, 2019 and were due beginning on this date based on the assessed valuation on real and personal property (including vehicles) of approximately \$246,000,000 for tax year 2019. Property taxes were considered late on January 15, 2020. Motor vehicle property tax is levied and collected on a portion of taxable vehicles monthly. Penalties and charges are assessed if taxes are not paid by the following dates:

January 18 through February 1 - 3% penalty for tax due
 February 2 through March 16 - 10% penalty for tax due
 March 17 - Lien Date - 15% penalty for tax due plus \$15 for a delinquent execution charge
 Unpaid Taxes After One Year - Property is sold by the County Tax Collector at the annual tax sale held the first Monday in November each year.

Assessed values are established by the Charleston County Tax Assessor and the South Carolina Tax Commission. The City's total tax rate for the 2019 property tax year was 24.7 mills. City property taxes are billed and collected by Charleston County under a joint billing and collection agreement.

Amounts received by Charleston County, but not yet remitted to the City at year end, are included as Taxes Receivable on the governmental fund balance sheet and on the government-wide Statement of Net Position.

Local option sales taxes, collected by the State of South Carolina, but not yet remitted to the City at year end, are included as due from other governments on the governmental fund balance sheet and on the government-wide Statement of Net Position.

The City's taxes receivable, other receivables, and due from other governments consist of the following as of June 30, 2020:

Description	General Fund	Municipal	State	Beach Preservation Fee Fund	Hospitality Tax Fund	Marina Enterprise Fund	Beach Restoration Fund	Totals
		Accommodations Fee Fund	Tax Fund					
Property Taxes	\$ 203,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,412
Allowance for Uncollectible	(7,818)	-	-	-	-	(30,000)	-	(37,818)
Local Option Sales Tax	222,880	-	-	-	-	-	-	222,880
Accommodations Taxes	24,934	246,287	354,997	227,647	-	-	-	853,865
Hospitality Taxes	-	-	-	-	66,947	-	-	66,947
Marina Operations	-	-	-	-	-	139,288	-	139,288
Franchise Fees	57,531	-	-	-	-	-	-	57,531
State Aid to Subdivisions	24,497	-	-	-	-	-	-	24,497
Other	322,854	-	-	-	-	-	-	322,854
Net Receivables	<u>\$ 848,290</u>	<u>\$ 246,287</u>	<u>\$ 354,997</u>	<u>\$ 227,647</u>	<u>\$ 66,947</u>	<u>\$ 109,288</u>	<u>\$ -</u>	<u>\$ 1,853,456</u>

Receivables of the Marina Enterprise Fund consist of amounts due from the Marina's tenants. There is no allowance for uncollectible amounts other than for property taxes.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Unavailable/Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and Enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue).

At June 30, 2020, the components of unavailable revenue (deferred inflows of resources) and unearned revenue (liability) were as follows:

Description	Fund	Unavailable	Unearned	Total
Property Taxes	General	\$ 132,937	\$ -	\$ 132,937
FEMA Grant	Disaster Recovery	-	11,371	11,371
Total Unavailable/Unearned Revenue		<u>\$ 132,937</u>	<u>\$ 11,371</u>	<u>\$ 144,308</u>

C. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund balances at June 30, 2020, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
Governmental Funds:		
General Fund	\$ -	\$ (592,532)
Capital Projects Fund	591,710	-
Non-major Funds	822	-
	<u>\$ 592,532</u>	<u>\$ (592,532)</u>

The General Fund payable, a portion of the Municipal Accommodations Fee Fund payable, and the State Accommodations Tax Fund receivable relate to the General Obligations Bond Series 2015 debt service payment. The General Fund receivable and the Municipal Accommodations Fee Fund payable relate primarily to a portion of the Public Works costs. All interfund balances are expected to be paid back within one year.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Interfund Transfers

Transfers between funds for the year ended June 30, 2020, consisted of the following:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$ 918,690	\$ (1,820,026)
Capital Projects Fund	1,728,994	-
Municipal Accommodations Fee Fund	-	(395,615)
State Accommodations Tax Fund	-	(258,667)
Hospitality Tax Fund	-	(229,830)
Non-major Funds	3,000	-
Proprietary Fund:		
Marina Enterprise Fund	53,454	-
Totals	<u>\$ 2,704,138</u>	<u>\$ (2,704,138)</u>

Transfers made out of the General Fund were primarily to fund future capital projects. Transfers made out of the Municipal Accommodations Fee Fund were mainly to offset Public Safety and Public Works costs in the General Fund. Transfers made out of the Hospitality Tax Fund were to offset Public Safety costs in the General Fund. Transfers from the State Accommodations Tax Fund were primarily for marina debt service and Public Safety costs.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 4,272,896	\$ -	\$ -	\$ -	\$ 4,272,896
Construction in Progress	2,988,781	2,425,824	-	(2,793,991)	2,620,614
Total Capital Assets, Non-Depreciable	<u>7,261,677</u>	<u>2,425,824</u>	<u>-</u>	<u>(2,793,991)</u>	<u>6,893,510</u>
Capital Assets, Depreciable:					
Land Improvements	3,939,606	-	(2,194)	2,792,174	6,729,586
Buildings and Improvements	16,896,155	64,136	(28,145)	-	16,932,146
Vehicles and Vehicle Equipment	5,341,621	1,090,158	(474,746)	-	5,957,033
Equipment	3,541,394	21,815	(1,138,415)	1,817	2,426,611
Furniture and Fixtures	72,890	-	(2,765)	-	70,125
Total Capital Assets, Depreciable	<u>29,791,666</u>	<u>1,176,109</u>	<u>(1,646,265)</u>	<u>2,793,991</u>	<u>32,115,501</u>
Total Capital Assets	<u>37,053,343</u>	<u>3,601,933</u>	<u>(1,646,265)</u>	<u>-</u>	<u>39,009,011</u>
Less: Accumulated Depreciation for:					
Land Improvements	(2,559,075)	(406,791)	2,194	-	(2,963,672)
Buildings and Improvements	(7,371,861)	(662,349)	28,145	-	(8,006,065)
Vehicles and Vehicle Equipment	(4,072,982)	(400,200)	474,746	-	(3,998,436)
Equipment	(2,443,383)	(194,218)	1,138,415	-	(1,499,186)
Furniture and Fixtures	(71,234)	(277)	2,765	-	(68,746)
Total Accumulated Depreciation	<u>(16,518,535)</u>	<u>(1,663,835)</u>	<u>1,646,265</u>	<u>-</u>	<u>(16,536,105)</u>
Total Capital Assets, Depreciable, Net	<u>13,273,131</u>	<u>(487,726)</u>	<u>-</u>	<u>2,793,991</u>	<u>15,579,396</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,534,808</u>	<u>\$ 1,938,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,472,906</u>

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Capital asset additions and depreciation expense for the City's governmental activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
Governmental Activities		
General Government	\$ -	\$ 172,585
Public Safety	3,376,324	784,323
Building, Planning, and Engineering	-	22,772
Public Works	225,609	469,527
Recreation	-	214,628
Total - Governmental Activities	<u>\$ 3,601,933</u>	<u>\$ 1,663,835</u>

Capital asset activity for the City's business-type activities for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 3,035,786	\$ -	\$ -	\$ -	\$ 3,035,786
Construction in Progress	-	107,257	-	-	107,257
Total Capital Assets, Non-Depreciable	<u>3,035,786</u>	<u>107,257</u>	<u>-</u>	<u>-</u>	<u>3,143,043</u>
Capital Assets, Depreciable:					
Land Improvements	2,960,827	-	-	-	2,960,827
Buildings and Improvements	846,998	-	-	-	846,998
Docks	674,861	-	-	-	674,861
Equipment	826,486	15,339	-	-	841,825
Total Capital Assets, Depreciable	<u>5,309,172</u>	<u>15,339</u>	<u>-</u>	<u>-</u>	<u>5,324,511</u>
Less: Accumulated Depreciation for:					
Land Improvements	(812,376)	(76,195)	-	-	(888,571)
Buildings and Improvements	(626,686)	(11,250)	-	-	(637,936)
Docks	(585,715)	(17,829)	-	-	(603,544)
Equipment	(308,968)	(28,603)	-	-	(337,571)
Total Accumulated Depreciation	<u>(2,333,745)</u>	<u>(133,877)</u>	<u>-</u>	<u>-</u>	<u>(2,467,622)</u>
Total Capital Assets, Depreciable, Net	<u>2,975,427</u>	<u>(118,538)</u>	<u>-</u>	<u>-</u>	<u>2,856,889</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,011,213</u>	<u>\$ (11,281)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,999,932</u>

City of Isle of Palms, South Carolina

Notes to the Financial Statements

E. Long-Term Obligations

General Obligation Bonds

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligations Bonds (GOB) are directed obligations and pledge the full faith and credit of the City.

Details on the City's debt outstanding as of June 30, 2020 are as follows:

<u>General Obligation Bonds</u>	<u>Principal Outstanding at Year End</u>
\$6,700,000 General Obligation Bonds Series 2008 ("Series 2008B") issued in August 2008 to defray the cost of constructing and equipping a new public safety building and renovating certain municipal facilities. Principal is payable annually and interest, at 4.14%, semi-annually. Annual debt service requirements range from approximately \$343,000 to \$540,000 through March 2028 and are being paid 100% by the General Fund.	\$ 3,200,000
\$2,235,000 General Obligation Refunding Bond Series 2016 ("Series 2016") issued in April 2016 to refund the remaining balance on the \$3,650,000 General Obligation Bond ("Series 2006") issued in August 2006 which originally financed the construction and equipping of Fire Station 2. Principal is payable annually and interest, at 1.88%, semi-annually. Annual debt service requirements range from approximately \$180,000 to \$275,000 through June 2026 and are being paid 60% by the General Fund and 40% by the Municipal Accommodations Fee Fund.	1,470,000
\$1,500,000 General Obligation Refunding Bond Series 2015 ("Series 2015") issued in February 2015 to refund the remaining balance on the \$2,900,000 General Obligation Bond ("Series 2003") issued in July 2003 which originally financed the expansion of the recreation center (which was approved through voter referendum and thus not subject to the 8% debt limit). Principal is payable annually and interest, at 1.68%, semi-annually. Annual debt service requirements range from approximately \$160,000 to \$221,000 through June 2023 and are being paid 60% by the General Fund and 40% by the Municipal Accommodations Fee Fund.	<u>630,000</u>
Total General Obligation Bonds	<u>\$ 5,300,000</u>

GOB have been issued for both governmental and proprietary/enterprise activities. Bonds are reported in the Enterprise Fund if they are expected to be repaid from Enterprise Fund operations.

Interest paid on the debt currently issued by the City is exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities (via the Pool), especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City had no arbitrage liability at June 30, 2020.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Debt Service Requirements to Maturity

Presented below are the debt service requirements to maturity for the governmental and business-type activities:

Year Ended June 30,	GOB		Totals
	Principal	Interest	
<u>Governmental Activities</u>			
2021	\$ 800,000	\$ 170,700	\$ 970,700
2022	810,000	147,605	957,605
2023	825,000	124,322	949,322
2024	625,000	100,757	725,757
2025	640,000	80,532	720,532
2026-2028	1,600,000	115,915	1,715,915
Totals	<u>\$ 5,300,000</u>	<u>\$ 739,831</u>	<u>\$ 6,039,831</u>

Capital Lease

At June 30, 2020, the City is obligated under leases that are classified as capital leases.

In March 2020, the City entered into a lease purchase agreement for a fire department vehicle. The lease is for a total of \$848,267 and calls for annual payments of \$91,915. The final payment under this lease is due in March 2029.

Future minimum lease payments under the capital lease describe above are as follows:

Year Ended June 30,	Capital Lease		Totals
	Principal	Interest	
<u>Governmental Activities</u>			
2021	\$ 78,074	\$ 13,841	\$ 91,915
2022	79,502	12,413	91,915
2023	80,957	10,958	91,915
2024	82,439	9,476	91,915
2025	83,948	7,967	91,915
2026-2029	351,432	16,224	367,656
Totals	\$ 756,352	\$ 70,879	\$ 827,231

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Presented below is a summary of changes in long-term obligations for the year ended June 30, 2020, for the City's governmental activities. There were no business-type activities long-term obligations for the year ended June 30, 2020.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
GOB Debt:					
GOB - Series 2008B	\$ 3,550,000	\$ -	\$ 350,000	\$ 3,200,000	\$ 375,000
GOB - Series 2015	835,000	-	205,000	630,000	210,000
GOB - Series 2016	1,675,000	-	205,000	1,470,000	215,000
Total GOB Debt	6,060,000	-	760,000	5,300,000	800,000
Accrued Compensated Absences	310,580	224,558	184,101	351,037	218,506
Capital Lease Payable	-	848,267	91,915	756,352	78,073
Total Governmental Activities	<u>\$ 6,370,580</u>	<u>\$ 1,072,825</u>	<u>\$ 1,036,016</u>	<u>\$ 6,407,389</u>	<u>\$ 1,096,579</u>

Resources from the General Fund, Municipal Accommodations Fee Fund, State Accommodations Tax Fund, and Hospitality Tax Fund have been used to liquidate the governmental activities debt. Resources from the Marina Enterprise Fund and the State Accommodations Tax Fund have been used to liquidate the business-type activities debt. The accrued compensated absences liability has been liquidated through the General Fund.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no city shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such city or city voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit, without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2020, the City had \$4,670,000 of bonded debt subject to the 8% limit of approximately \$19,680,000 available, resulting in an unused legal debt margin of approximately \$15,010,000.

The City incurred interest expense of approximately \$192,000 and \$0 for its governmental and business-type activities debt, respectively.

F. Marina Revenue

The City-owned Marina earns revenues from the rental of Marina facilities as noted below:

- The City dock lease (marine operations) – rent income of approximately \$176,000 for the year ended June 30, 2020. The lease expires in January 31, 2045.
- Marina store lease – rent income of approximately \$75,000 for the year ended June 30, 2020. The lease expires in January 31, 2045.
- Water sports dock lease – rent income of approximately \$23,000 for the year ended June 30, 2020. The lease expires on September 30, 2020.
- The Marina restaurant tenant ceased operations in November 2019. The restaurant lease expires October 31, 2020. For the year ended June 30, 2020, rent revenue from the restaurant is \$54,000.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

Estimated future annual lease income for the long-term leases in effect as of June 30, 2020 are as follows:

Year Ended June 30,	Amount
2021	\$ 264,243
2022	258,438
2023	258,438
2024	258,438
2025	258,438
2026-2030	1,292,190
2031-2035	1,292,190
2036-2040	1,292,190
2041-2045	1,292,190
2046-2050	129,219
Totals	<u>\$ 6,595,974</u>

IV. OTHER INFORMATION

A. Participation in Public Entity Risk Pools for Property and Casualty Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the City is a member of the South Carolina Municipal Insurance Reserve Fund (SCMIRF), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The City pays an annual premium for this coverage. For the year ended June 30, 2020, the City's premium costs totaled approximately \$300,000. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2019, totaled approximately \$14,253,000.

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The City pays an annual premium to SCMIT. For the year ended June 30, 2020, the City made premium payments totaling approximately \$212,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net position from its most recently issued audited financial statements at December 31, 2019, totaled approximately \$62,792,000.

For the above public entity risk pools for property and casualty insurance, there were no significant reductions in coverage in the past fiscal year, and settled claims in excess of insurance coverage for the last three years were immaterial.

B. Health Insurance

The City provides a health insurance program for its employees through the SC State Health Plan (Health Plan). The City pays a monthly premium to the insurer for its health coverage (insured plan) with the insurer being responsible for claims.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

C. Retirement Plans

The City participates in the State of South Carolina's retirement plans, which are administered by the PEBA, which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors (PEBA Board), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts and political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firefighters of the state and its political subdivisions.

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, teachers, and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

- **SCRS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirements that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight- year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of eligible compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the PEBA Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the PEBA Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the PEBA Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period and this increase is not limited to one-half of one percent per year.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

As noted above, both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined, but are communicated to and paid by the City as a percentage of the employees' annual eligible compensation as follows:

Required **employee** contribution rates are as follows:

<u>SCRS</u>	<u>2020</u>	<u>2019</u>
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%

PORS

Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required **employer** contribution rates are as follows:

SCRS

Employee Class Two	15.41%	14.41%
Employee Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%

PORS

Employee Class Two	17.84%	16.84%
Employee Class Three	17.84%	16.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2018. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2018 actuarial valuations, using membership data as of July 1, 2018, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2019, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company.

City of Isle of Palms, South Carolina
Notes to the Financial Statements

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. For the year ended June 30, 2019, NPL amounts and the change in NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$50,073,060,256	\$27,238,916,138	\$22,834,144,118	54.4%
PORS	\$7,681,749,768	\$4,815,808,554	\$2,865,941,214	62.7%

At June 30, 2020, the City reported liabilities of approximately \$4,461,000 and \$6,195,000 for its proportionate share of the NPLs for the SCRS and PORS (Plans), respectively. The NPLs were measured as of June 30, 2019, and the total pension liabilities for the Plans used to calculate the NPLs were determined based on the most recent actuarial valuation report as of July 1, 2017 that was projected forward to the measurement date. The City's proportion of the NPLs were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2019, the City's SCRS proportion was 0.019538 percent, which increased slightly from the prior year. At June 30, 2019, the City's PORS proportion was 0.216172 percent, which decreased slightly from the prior year.

For the year ended June 30, 2020, the City recognized pension expense of approximately \$548,000 and \$909,000 for the SCRS and PORS, respectively. Components of collective pension expense for the year ended June 30, 2020 are presented below:

	SCRS	PORS
Service cost (annual cost of current service)	\$ 203,725	\$ 404,495
Interest on the total pension liability	728,917	1,129,251
Plan administrative costs	3,270	5,544
Plan member contributions	(185,365)	(309,165)
Expected return on plan assets	(397,938)	(706,279)
Recognition of current year amortization - difference between expected and actual experience and assumption changes	80,913	202,852
Recognition of current year amortization - difference between projected and actual investment earnings	114,710	185,127
Other	261	(2,453)
Total	<u>\$ 548,493</u>	<u>\$ 909,372</u>

City of Isle of Palms, South Carolina
Notes to the Financial Statements

At June 30, 2020, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
<u>SCRS:</u>		
Differences between expected and actual experience	\$ 3,067	\$ 32,049
Changes of assumptions	89,900	-
Net difference between projected and actual earnings on pension plan investments	39,497	-
Changes in proportion and differences between City contributions and proportionate share of contributions	81,181	60,751
City contributions subsequent to the measurement date	322,055	-
Total	<u>\$ 535,700</u>	<u>\$ 92,800</u>
	Deferred outflows of resources	Deferred inflows of resources
<u>PORS:</u>		
Differences between expected and actual experience	\$ 127,389	\$ 45,788
Changes of assumptions	245,677	-
Net difference between projected and actual earnings on pension plan investments	78,553	-
Changes in proportion and differences between City contributions and proportionate share of contributions	125,180	393,607
City contributions subsequent to the measurement date	574,950	-
Total	<u>\$ 1,151,749</u>	<u>\$ 439,395</u>

Approximately \$322,000 and \$575,000 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as an increase or (decrease) in pension expense as follows:

<u>Year ended June 30:</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2020	\$ 145,272	\$ 213,605	\$ 358,877
2021	(24,752)	(3,447)	(28,199)
2022	(14,311)	(73,844)	(88,155)
2023	14,636	1,090	15,726
	<u>\$ 120,845</u>	<u>\$ 137,404</u>	<u>\$ 258,249</u>

City of Isle of Palms, South Carolina

Notes to the Financial Statements

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period.

The following table provides a summary of the actuarial cost method and assumptions used in the July 1, 2018, valuations for SCRS and PORS.

Actuarial assumptions:	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Investment rate of return	7.25%	7.25%
Projected salary increases*	3.0% to 12.5% (varies by service)*	3.5% to 9.5% (varies by service)*
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

*Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market assumptions. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds / Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Isle of Palms, South Carolina

Notes to the Financial Statements

The following table presents the sensitivity of the City's proportionate share of the NPL of the Plans as of June 30, 2019 to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1.00% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1.00% Decrease (6.25%)	Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 5,620,349	\$ 4,461,231	\$ 3,494,071
PORS	\$ 8,396,185	\$ 6,195,349	\$ 4,392,333

Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

Payable to Plans

The City reported payables of \$255,277 to PEBA as of June 30, 2020, representing required employer and employee contributions related to 2020. These amounts are included in Other Accrued Liabilities on the financial statements and have been paid subsequent to year end.

C. Other Postemployment Benefits

Upon retirement from the City, employees who meet certain eligibility requirements have the option to retain health insurance through the Health Plan paying the applicable retiree rate. The Health Plan and the City's Personnel Manual establish the requirements for post-employment healthcare benefits. Presently there are no retired participants who opted to retain health insurance through the Health Plan. For the fiscal year ended June 30, 2020, there were no material liabilities or expenditures to be required with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

D. Commitments and Contingencies

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2020.

E. Litigation

The City is periodically the subject of litigation by a variety of plaintiffs. The City management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.



Required Supplementary Information (Unaudited)

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board, but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules
 - General Fund
 - Municipal Accommodations Fee Fund
 - State Accommodations Tax Fund
 - Hospitality Tax Fund
 - Beach Preservation Fund
- South Carolina Retirement System
 - Schedule of the City's Proportionate Share of the Net Pension Liability
 - Schedule of the City's Contributions
- South Carolina Police Officers Retirement System
 - Schedule of the City's Proportionate Share of the Net Pension Liability
 - Schedule of the City's Contributions

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budgets and Actual – General Fund
Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 4,398,550	\$ 4,398,550	\$ 4,517,683	\$ 119,133
Local Option Sales Tax	811,200	811,200	799,984	(11,216)
Intergovernmental	267,600	267,600	377,343	109,743
Licenses and Permits	4,621,720	4,621,720	4,320,407	(301,313)
Fines and Forfeitures	200,000	200,000	277,428	77,428
Revenues From Use of Properties (Marina excluded)	947,200	947,200	972,258	25,058
Interest	47,250	47,250	131,603	84,353
Other Revenues	274,100	274,100	257,262	(16,838)
Total Revenues	11,567,620	11,567,620	11,653,968	86,348
Expenditures				
General Government:				
Mayor and Council	142,205	142,205	131,556	10,649
Administration	1,136,482	1,136,482	822,959	313,523
Judicial and Legal	223,179	223,179	204,504	18,675
Public Safety:				
Police Department	2,746,081	2,746,081	2,355,529	390,552
Fire Department	3,312,615	3,312,615	3,412,914	(100,299)
Building, Planning, and Engineering	440,572	440,572	410,875	29,697
Public Works	1,432,655	1,432,655	1,302,113	130,542
Recreation:				
Recreation Department	949,572	949,572	857,177	92,395
Recreation Programs	95,750	95,750	56,937	38,813
Non-Departmental:				
Parking Meters	125,987	125,987	80,805	45,182
Debt Service:				
Principal	555,000	555,000	555,000	-
Interest	167,983	167,983	167,983	-
Total Expenditures	11,328,081	11,328,081	10,358,352	969,729
Excess of Revenues Over Expenditures	239,539	239,539	1,295,616	1,056,077
Other Financing Sources (Uses)				
Transfer In	897,745	897,745	918,690	20,945
Transfer Out	(1,137,284)	(1,137,284)	(1,820,026)	(682,742)
Sale of Capital Assets	-	-	44,581	44,581
Total Other Financing Sources (Uses)	(239,539)	(239,539)	(856,755)	(617,216)
Net Changes In Fund Balances	-	-	438,861	438,861
Fund Balances, Beginning of Year	6,018,570	6,018,570	6,018,570	-
Fund Balances, End of Year	\$ 6,018,570	\$ 6,018,570	\$ 6,457,431	\$ 438,861

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budgets and Actual – Municipal Accommodations Fee Fund
Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Accommodation Fee Revenue	\$ 1,074,290	\$ 1,074,290	\$ 863,187	\$ (211,103)
County Accommodations Fee Revenue	525,300	525,300	370,500	(154,800)
Sale of Assets	5,000	5,000	-	(5,000)
Interest	31,500	31,500	25,891	(5,609)
Total Revenues	<u>1,636,090</u>	<u>1,636,090</u>	<u>1,259,578</u>	<u>(376,512)</u>
Expenditures				
Current:				
General Government	68,460	68,460	27,595	40,865
Public Safety	51,000	51,000	34,020	16,980
Public Works	34,000	34,000	139,878	(105,878)
Non-Departmental:				
Public Restrooms	232,600	232,600	178,220	54,380
Capital Outlay	1,836,138	1,836,138	735,065	1,101,073
Debt Service:				
Principal	82,000	82,000	82,000	-
Interest	5,611	5,611	5,611	-
Total Expenditures	<u>2,309,809</u>	<u>2,309,809</u>	<u>1,202,389</u>	<u>1,107,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(673,719)</u>	<u>(673,719)</u>	<u>57,189</u>	<u>730,908</u>
Other Financing Sources (Uses)				
Transfer Out	(458,702)	(458,702)	(395,615)	63,087
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(458,702)</u>	<u>(458,702)</u>	<u>(395,615)</u>	<u>63,087</u>
Net Changes In Fund Balances	<u>(1,132,421)</u>	<u>(1,132,421)</u>	<u>(338,426)</u>	<u>793,995</u>
Fund Balances, Beginning of Year	<u>1,622,048</u>	<u>1,622,048</u>	<u>1,622,048</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 489,627</u>	<u>\$ 489,627</u>	<u>\$ 1,283,622</u>	<u>\$ 793,995</u>

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budgets and Actual – State Accommodations Tax Fund
Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Accommodations Tax Revenue	\$ 1,858,120	\$ 1,858,120	\$ 1,598,026	\$ (260,094)
Interest	30,560	30,560	26,421	(4,139)
Total Revenues	<u>1,888,680</u>	<u>1,888,680</u>	<u>1,624,447</u>	<u>(264,233)</u>
Expenditures				
Current:				
General Government	710,700	710,700	573,120	137,580
Public Safety	7,100	7,100	2,353	4,747
Public Works	7,500	7,500	4,444	3,056
Recreation:				
Recreation Department	16,000	16,000	11,614	4,386
Non-Departmental:				
Public Restrooms	199,280	199,280	150,362	48,918
Capital Outlay	1,346,500	1,346,500	664,144	682,356
Debt Service:				
Principal	70,756	70,756	91,915	(21,159)
Interest	33,980	33,980	-	33,980
Total Expenditures	<u>2,391,816</u>	<u>2,391,816</u>	<u>1,497,952</u>	<u>893,864</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(503,136)</u>	<u>(503,136)</u>	<u>126,495</u>	<u>629,631</u>
Other Financing Sources (Uses)				
Transfer Out	(278,713)	(278,713)	(258,667)	20,046
Sale of Capital Assets	5,000	5,000	-	(5,000)
Total Other Financing Sources (Uses)	<u>(273,713)</u>	<u>(273,713)</u>	<u>(258,667)</u>	<u>15,046</u>
Net Changes In Fund Balances	<u>(776,849)</u>	<u>(776,849)</u>	<u>(132,172)</u>	<u>644,677</u>
Fund Balances, Beginning of Year	<u>1,813,035</u>	<u>1,813,035</u>	<u>1,813,035</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,036,186</u>	<u>\$ 1,036,186</u>	<u>\$ 1,680,863</u>	<u>\$ 644,677</u>

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budgets and Actual – Hospitality Tax Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Hospitality Taxes	\$ 811,640	\$ 811,640	\$ 603,275	\$ (208,365)
Interest	16,800	16,800	16,903	103
Total Revenues	<u>828,440</u>	<u>828,440</u>	<u>620,178</u>	<u>(208,262)</u>
Expenditures				
Current:				
Public Safety	37,000	37,000	16,289	20,711
Public Works	263,800	263,800	131,917	131,883
Recreation	33,000	33,000	34,212	(1,212)
Capital Outlay	271,000	271,000	30,576	240,424
Debt Service:				
Principal	123,000	123,000	123,000	-
Interest	18,894	18,894	18,894	-
Total Expenditures	<u>746,694</u>	<u>746,694</u>	<u>354,888</u>	<u>391,806</u>
Excess of Revenues Over Expenditures	<u>81,746</u>	<u>81,746</u>	<u>265,290</u>	<u>183,544</u>
Other Financing Uses				
Transfer Out	(229,830)	(229,830)	(229,830)	-
Total Other Financing Uses	<u>(229,830)</u>	<u>(229,830)</u>	<u>(229,830)</u>	<u>-</u>
Net Changes In Fund Balances	<u>(148,084)</u>	<u>(148,084)</u>	<u>35,460</u>	<u>183,544</u>
Fund Balances, Beginning of Year	<u>1,077,771</u>	<u>1,077,771</u>	<u>1,077,771</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 929,687</u>	<u>\$ 929,687</u>	<u>\$ 1,113,231</u>	<u>\$ 183,544</u>

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budgets and Actual – Beach Preservation Fund
Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Beach preservation fee	\$ 1,074,290	\$ 1,074,290	\$ 863,187	\$ (211,103)
Interest	25,200	25,200	43,953	18,753
Total Revenues	<u>1,099,490</u>	<u>1,099,490</u>	<u>907,140</u>	<u>(192,350)</u>
Expenditures				
Current:				
General Government	369,142	369,142	72,712	296,430
Capital Outlay	115,000	115,000	-	115,000
Total Expenditures	<u>484,142</u>	<u>484,142</u>	<u>72,712</u>	<u>411,430</u>
Excess of Revenues Over Expenditures	<u>615,348</u>	<u>615,348</u>	<u>834,428</u>	<u>219,080</u>
Net Changes In Fund Balances	<u>615,348</u>	<u>615,348</u>	<u>834,428</u>	<u>219,080</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>2,619,767</u>	<u>2,619,767</u>
Fund Balances, End of Year	<u>\$ 615,348</u>	<u>\$ 615,348</u>	<u>\$ 3,454,195</u>	<u>\$ 2,838,847</u>

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of Net Pension Liability
South Carolina Retirement System
Year Ended June 30, 2020

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
City of Isle of Palms' proportion of the net pension liability	0.019538%	0.019916%	0.019257%	0.019055%	0.018636%	0.018910%
City of Isle of Palms' proportionate share of the net pension liability	<u>\$ 4,461,231</u>	<u>\$ 4,462,643</u>	<u>\$ 4,335,060</u>	<u>\$ 4,070,120</u>	<u>\$ 3,534,218</u>	<u>\$ 3,255,503</u>
City of Isle of Palms' covered payroll during measurement period	<u>\$ 2,063,111</u>	<u>\$ 2,063,898</u>	<u>\$ 1,942,949</u>	<u>\$ 1,845,203</u>	<u>\$ 1,747,268</u>	<u>\$ 1,718,609</u>
City of Isle of Palms' proportionate share of the net pension liability as a percentage of its covered-employee payroll	216.24%	216.22%	223.12%	220.58%	202.27%	189.43%
Plan fiduciary net position as a percentage of the total pension liability	54.40%	54.10%	53.30%	52.90%	57.00%	59.92%

*Note- This schedule will show information for 10 years. However, until a full 10 years is compiled, the City will show information for years for which information is available.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of the City's Contributions
South Carolina Retirement System
Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 322,055	\$ 279,865	\$ 279,865	\$ 224,605	\$ 204,079	\$ 190,452	\$ 181,973
Contributions in relation to the contractually required contribution	<u>(322,055)</u>	<u>(279,865)</u>	<u>(279,865)</u>	<u>(224,605)</u>	<u>(204,079)</u>	<u>(190,452)</u>	<u>(181,973)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Isle of Palms' covered-employee payroll	<u>\$ 2,069,765</u>	<u>\$ 2,063,111</u>	<u>\$ 2,063,898</u>	<u>\$ 1,942,949</u>	<u>\$ 1,845,203</u>	<u>\$ 1,747,268</u>	<u>\$ 1,718,609</u>
Contributions as a percentage of covered-employee payroll	15.56%	13.57%	13.56%	11.56%	11.06%	10.90%	10.59%

*Note- This schedule will show information for 10 years. However, until a full 10 years is compiled, the City will show information for years for which information is available.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of Net Pension Liability
South Carolina Police Officers Retirement System
Year Ended June 30, 2020

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
City of Isle of Palms' proportion of the net pension liability	0.216172%	0.235181%	0.226290%	0.230280%	0.226240%	0.210300%
City of Isle of Palms' proportionate share of the net pension liability	<u>\$ 6,195,349</u>	<u>\$ 6,663,950</u>	<u>\$ 6,199,297</u>	<u>\$ 5,840,969</u>	<u>\$ 4,931,002</u>	<u>\$ 4,025,983</u>
City of Isle of Palms' covered payroll during measurement period	<u>\$ 3,135,480</u>	<u>\$ 3,229,223</u>	<u>\$ 3,047,364</u>	<u>\$ 2,885,754</u>	<u>\$ 2,802,857</u>	<u>\$ 2,526,375</u>
City of Isle of Palms' proportionate share of the net pension liability as a percentage of its covered-employee payroll	197.59%	206.36%	203.43%	202.41%	175.93%	159.36%
Plan fiduciary net position as a percentage of the total pension liability	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%

*Note- This schedule will show information for 10 years. However, until a full 10 years is compiled, the City will show information for years for which information is available.

City of Isle of Palms, South Carolina
Required Supplementary Information (Unaudited)
Schedule of the City's Contributions
South Carolina Police Officers Retirement System
Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 574,950	\$ 524,426	\$ 524,426	\$ 433,945	\$ 403,373	\$ 375,863	\$ 324,766
Contributions in relation to the contractually required contribution	<u>(574,950)</u>	<u>(524,426)</u>	<u>(524,426)</u>	<u>(433,945)</u>	<u>(403,373)</u>	<u>(375,863)</u>	<u>(324,766)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Isle of Palms' covered-employee payroll	<u>\$ 3,152,136</u>	<u>\$ 3,135,480</u>	<u>\$ 3,229,223</u>	<u>\$ 3,047,364</u>	<u>\$ 2,885,754</u>	<u>\$ 2,802,857</u>	<u>\$ 2,526,375</u>
Contributions as a percentage of covered-employee payroll	18.24%	16.73%	16.24%	14.24%	13.98%	13.41%	12.86%

*Note- This schedule will show information for 10 years. However, until a full 10 years is compiled, the City will show information for years for which information is available.

Supplementary Information

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are received by the City that are either legally restricted or assigned for specified purposes.

STATE NARCOTICS FUNDS – To account for the accumulation of funds seized by the City from illegal drug trafficking. These funds are used by the City to deter illegal drug use through investigation and education.

VICTIM ASSISTANCE FUND – To account for monies set aside to assist victims of crimes in accordance with state law.

RECREATION BUILDING FUND – To account for donations made to the City's Recreation Department.



City of Isle of Palms, South Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	State Narcotics Fund	Victim Assistance Fund	Recreation Building Fund	Total Non-Major Funds
Assets				
Cash and Cash Equivalents - Restricted	\$ -	\$ 28,290	\$ 84,243	\$ 112,533
Due from Other Funds	-	822	-	822
Total Assets	<u>\$ -</u>	<u>\$ 29,112</u>	<u>\$ 84,243</u>	<u>\$ 113,355</u>
Fund Balances				
Restricted	-	29,112	-	29,112
Assigned	-	-	84,243	84,243
Total Fund Balances	<u>-</u>	<u>29,112</u>	<u>84,243</u>	<u>113,355</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 29,112</u>	<u>\$ 84,243</u>	<u>\$ 113,355</u>

City of Isle of Palms, South Carolina
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2020

	State Narcotics Fund	Victim Assistance Fund	Recreation Building Fund	Total Non-Major Funds
Revenues				
Fines and Forfeitures	\$ -	\$ 5,153	\$ -	\$ 5,153
Interest	-	-	1,318	1,318
Other	-	-	13,474	13,474
Total Revenues	-	5,153	14,792	19,945
Expenditures				
Current:				
Public Safety	4,386	4,356	-	8,742
Recreation	-	-	5,168	5,168
Total Expenditures	4,386	4,356	5,168	13,910
Excess (Deficiency) of Revenues Over Expenditures	(4,386)	797	9,624	6,035
Other Financing Sources				
Transfers In	-	-	3,000	3,000
Total Other Financing Sources	-	-	3,000	3,000
Net Change In Fund Balances	(4,386)	797	12,624	9,035
Fund Balances, Beginning of Year	4,386	28,315	71,619	104,320
Fund Balances, End of Year	\$ -	\$ 29,112	\$ 84,243	\$ 113,355

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property Taxes	<u>\$ 4,398,550</u>	<u>\$ 4,517,683</u>	<u>\$ 119,133</u>
Local Option Sales Tax	<u>811,200</u>	<u>799,984</u>	<u>(11,216)</u>
Intergovernmental			
State Aid to Subdivisions	93,000	97,989	4,989
State Accommodations Tax Administrative Fee	123,600	109,107	(14,493)
State Shared Funds - Alcohol	51,000	50,550	(450)
Grants	<u>-</u>	<u>119,697</u>	<u>119,697</u>
Total Intergovernmental	<u>267,600</u>	<u>377,343</u>	<u>109,743</u>
Licenses and Permits			
Business Licenses	1,438,000	1,365,072	(72,928)
Residential Rental Licenses	1,020,000	1,009,462	(10,538)
Insurance Licenses	694,880	713,992	19,112
Public Utilities	869,000	777,648	(91,352)
Building Permits	568,000	423,216	(144,784)
Telecommunication Licenses	20,000	18,240	(1,760)
Transportation	8,240	11,522	3,282
Alarm Permits	1,800	1,045	(755)
Animal Licenses	<u>1,800</u>	<u>210</u>	<u>(1,590)</u>
Total Licenses and Permits	<u>4,621,720</u>	<u>4,320,407</u>	<u>(301,313)</u>
Fines and Forfeitures	<u>200,000</u>	<u>277,428</u>	<u>77,428</u>
Revenue From Use of Properties			
Parking Lot Revenue	370,000	428,729	58,729
Parking Meter Revenue	577,000	543,184	(33,816)
Residential Guest Parking Revenue	<u>200</u>	<u>345</u>	<u>145</u>
Total Revenue From Use of Properties	<u>947,200</u>	<u>972,258</u>	<u>25,058</u>
Interest			
Interest Income	<u>47,250</u>	<u>131,603</u>	<u>84,353</u>
Total Interest	<u>47,250</u>	<u>131,603</u>	<u>84,353</u>

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Revenues			
Recreation Program Income	\$ 90,000	\$ 78,555	\$ (11,445)
Recreation Instructors Income	170,000	137,336	(32,664)
Miscellaneous	8,000	36,239	28,239
Cart Purchase Revenue	4,000	4,425	425
Boat Ramp Fees	2,000	700	(1,300)
Kennel Fees	100	7	(93)
Total Other Revenues	<u>274,100</u>	<u>257,262</u>	<u>(16,838)</u>
Total Revenues	<u>11,567,620</u>	<u>11,653,968</u>	<u>86,348</u>
Expenditures			
General Government			
<u>Mayor and Council:</u>			
Salaries	17,000	17,000	-
Payroll Taxes	1,301	1,299	2
Retirement	2,645	1,901	744
Group Health Insurance	96,103	91,178	4,925
Workers Compensation	456	360	96
Print and Office Supplies	2,100	969	1,131
Meetings and Seminars	12,000	8,919	3,081
Telephone	-	2,354	(2,354)
Insurance	2,100	2,016	84
Miscellaneous and Contingency	4,500	4,397	103
Citizens and Employee Services	4,000	1,163	2,837
Total Mayor and Council	<u>142,205</u>	<u>131,556</u>	<u>10,649</u>
<u>Administration:</u>			
Salaries	489,754	403,495	86,259
Salaries - Overtime	4,504	928	3,576
Payroll Taxes	37,811	30,217	7,594
Retirement	76,907	58,531	18,376
Group Health Insurance	46,324	36,630	9,694
Workers Compensation	5,777	(683)	6,460
Print and Office Supplies	11,000	8,389	2,611
Membership and Dues	5,985	4,981	1,004

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Meetings and Seminars	\$ 8,500	\$ 1,704	\$ 6,796
Vehicle, Fuel, and Oil	1,500	579	921
Electric and Gas	4,700	4,231	469
Telephone and Cable	11,000	9,423	1,577
Water and Sewer	2,120	1,566	554
Noncapital Tools and Equipment	1,250	552	698
Maintenance and Service Contracts	57,000	28,922	28,078
Machine and Equipment Repair	500	-	500
Cleaning and Sanitary Supplies	1,800	2,149	(349)
Storm Preparation & Cleanup	-	38,890	(38,890)
Medical and Lab	600	678	(78)
Insurance	22,000	19,864	2,136
Rent and Leases	10,450	8,998	1,452
Advertising	6,000	4,716	1,284
Employee Training	58,000	21,926	36,074
Professional Services	129,000	69,181	59,819
Contracted Services	114,000	40,131	73,869
Miscellaneous and Contingency	18,000	16,941	1,059
Election Expense	5,000	2,206	2,794
Bank Service Charges	7,000	7,814	(814)
Total Administration	<u>1,136,482</u>	<u>822,959</u>	<u>313,523</u>
<u>Judicial and Legal:</u>			
Salaries - Full-time	69,578	69,384	194
Salaries - Over-time	1,584	1,702	(118)
Salaries - Part-time	16,500	15,041	1,459
Payroll Taxes	6,706	6,416	290
Retirement	13,640	12,468	1,172
Group Health Insurance	6,933	6,664	269
Workers Compensation	288	221	67
Print and Office Supplies	4,000	3,426	574
Membership and Dues	150	74	76
Meetings and Seminars	700	512	188
Telephone and Cable	4,300	3,409	891
Noncapital Tools and Equipment	800	624	176
Maintenance and Service Contracts	5,000	4,511	489
Insurance	650	669	(19)

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Employee Training	\$ 1,500	\$ 376	\$ 1,124
Professional Services	90,000	78,740	11,260
Miscellaneous and Contingency	850	267	583
Total Judicial and Legal	223,179	204,504	18,675
Total General Government	1,501,866	1,159,019	342,847

Public Safety

Police Department:

Salaries	1,453,386	1,235,798	217,588
Salaries - Over-time	132,818	167,858	(35,040)
Salaries - Part-time	-	13,809	(13,809)
Payroll Taxes	121,345	105,311	16,034
Retirement	281,497	237,075	44,422
Group Health Insurance	230,778	179,745	51,033
Workers Compensation	71,592	50,860	20,732
Print and Office Supplies	14,000	7,099	6,901
Membership and Dues	2,000	1,710	290
Meetings and Seminars	2,000	640	1,360
Vehicle, Fuel, and Oil	80,000	55,802	24,198
Vehicle Maintenance	50,000	46,497	3,503
Electric and Gas	32,000	24,412	7,588
Telephone and Cable	60,000	48,010	11,990
Water and Sewer	6,000	5,700	300
Noncapital Tools and Equipment	2,000	2,943	(943)
Maintenance and Service Contracts	68,500	66,350	2,150
Machine and Equipment Repair	8,500	137	8,363
Uniforms	20,715	10,528	10,187
Cleaning and Sanitary Supplies	1,750	2,835	(1,085)
Medical and Lab	4,000	3,922	78
Insurance	64,000	70,235	(6,235)
Rent and Leases	4,450	4,334	116
Employee Training	10,000	5,462	4,538
Professional Services	5,500	765	4,735
Contracted Services	15,000	4,180	10,820
Miscellaneous and Contingency	3,250	3,114	136
Canine Kennel Expenses	1,000	398	602
Total Police Department	2,746,081	2,355,529	390,552

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Fire Department:</u>			
Salaries - Full-time	\$ 1,650,662	\$ 1,728,922	\$ (78,260)
Salaries - Over-time	291,195	364,157	(72,962)
Salaries - Part-time	16,900	2,514	14,386
Payroll Taxes	149,845	154,916	(5,071)
Retirement	356,333	363,949	(7,616)
Group Health Insurance	297,896	278,507	19,389
Workers Compensation	79,234	81,858	(2,624)
Unemployment Compensation	-	3	(3)
Print and Office Supplies	5,500	3,157	2,343
Membership and Dues	2,300	553	1,747
Meetings and Seminars	500	314	186
Vehicle, Fuel, and Oil	19,000	12,693	6,307
Vehicle Maintenance	70,000	65,175	4,825
Electric and Gas	44,500	40,460	4,040
Telephone and Cable	61,000	55,278	5,722
Water and Sewer	10,600	10,633	(33)
Noncapital Tools and Equipment	4,700	4,760	(60)
Maintenance and Service Contracts	61,000	52,293	8,707
Machine and Equipment Repair	10,000	11,122	(1,122)
Uniforms	20,000	12,140	7,860
Cleaning and Sanitary Supplies	4,000	7,891	(3,891)
Medical and Lab	17,000	16,451	549
Insurance	114,000	119,306	(5,306)
Rent and Leases	3,450	5,807	(2,357)
Employee Training	10,000	8,684	1,316
Professional Services	6,000	5,473	527
Miscellaneous and Contingency	6,000	4,900	1,100
Volunteer Point Allocation	1,000	998	2
Total Fire Department	<u>3,312,615</u>	<u>3,412,914</u>	<u>(100,299)</u>
Total Public Safety	<u>6,058,696</u>	<u>5,768,443</u>	<u>290,253</u>
<u>Building, Planning, and Engineering</u>			
Salaries - Full-time	254,059	247,287	6,772
Salaries - Over-time	671	491	180
Payroll Taxes	19,487	18,119	1,368
Retirement	39,636	35,849	3,787
Group Health Insurance	45,230	41,180	4,050
Workers Compensation	2,739	2,722	17
Print and Office Supplies	11,000	9,562	1,438
Membership and Dues	1,000	204	796
Meetings and Seminars	500	24	476
Vehicle, Fuel, and Oil	4,500	3,220	1,280

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Vehicle Maintenance	\$ 1,000	\$ 166	\$ 834
Electric and Gas	4,500	4,231	269
Telephone and Cable	5,400	4,311	1,089
Water and Sewer	1,600	1,374	226
Noncapital Tools and Equipment	300	500	(200)
Maintenance and Service Contracts	21,000	21,131	(131)
Machine and Equipment Repair	500	-	500
Uniforms	500	293	207
Cleaning and Sanitary Supplies	500	708	(208)
Medical and Lab	100	139	(39)
Insurance	9,000	8,673	327
Rent and Leases	2,050	1,101	949
Employee Training	1,300	90	1,210
Professional Services	13,500	9,077	4,423
Miscellaneous and Contingency	500	423	77
Total Building, Planning, and Engineering	<u>440,572</u>	<u>410,875</u>	<u>29,697</u>
Public Works			
Salaries - Full-time	613,592	566,183	47,409
Salaries - Over-time	10,999	10,757	242
Salaries - Part-time	-	2,577	(2,577)
Payroll Taxes	47,781	43,187	4,594
Retirement	97,186	83,647	13,539
Group Health Insurance	84,358	87,324	(2,966)
Workers Compensation	40,609	31,390	9,219
Print and Office Supplies	1,500	920	580
Membership and Dues	500	258	242
Vehicle, Fuel, and Oil	61,000	61,548	(548)
Vehicle Maintenance	85,000	84,066	934
Electric and Gas	76,000	65,390	10,610
Telephone and Cable	14,000	12,309	1,691
Water and Sewer	12,000	2,178	9,822
Noncapital Tools and Equipment	2,000	1,895	105
Maintenance and Service Contracts	8,000	13,434	(5,434)
Machine and Equipment Repair	5,000	1,299	3,701
Uniforms	10,880	10,276	604
Cleaning and Sanitary Supplies	2,500	2,219	281
Medical and Lab	3,500	3,117	383
Street Signs	2,500	-	2,500
Insurance	40,000	44,939	(4,939)
Rent and Leases	1,950	1,392	558

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Employee Training	\$ 300	\$ -	\$ 300
Professional Services	2,000	280	1,720
Temporary Labor	200,000	163,644	36,356
Contracted Services	1,000	-	1,000
Miscellaneous and Contingency	1,000	925	75
Garbage Cart - Procurement	7,500	6,959	541
Total Public Works	<u>1,432,655</u>	<u>1,302,113</u>	<u>130,542</u>

Recreation

Recreation Department:

Salaries - Full-time	374,662	379,099	(4,437)
Salaries - Over-time	8,396	2,833	5,563
Salaries - Part-time	200,000	150,844	49,156
Payroll Taxes	44,604	39,796	4,808
Retirement	59,604	57,707	1,897
Group Health Insurance	69,824	57,056	12,768
Workers Compensation	13,172	9,873	3,299
Unemployment Compensation	-	2,997	(2,997)
Print and Office Supplies	10,500	8,720	1,780
Membership and Dues	1,600	1,345	255
Meetings and Seminars	2,000	328	1,672
Vehicle, Fuel, and Oil	4,000	2,070	1,930
Vehicle Maintenance	2,000	4,966	(2,966)
Electric and Gas	37,000	27,872	9,128
Telephone and Cable	17,000	10,527	6,473
Water and Sewer	4,240	4,337	(97)
Noncapital Tools and Equipment	1,800	1,734	66
Maintenance and Service Contracts	38,600	38,478	122
Machine and Equipment Repair	2,500	1,564	936
Uniforms	1,950	36	1,914
Cleaning and Sanitary Supplies	4,750	6,344	(1,594)
Medical and Lab	800	1,344	(544)
Insurance	41,000	41,520	(520)
Rent and Leases	3,950	2,365	1,585
Employee Training	2,000	1,092	908
Professional Services	120	120	-
Miscellaneous and Contingency	3,500	2,210	1,290
Total Recreation Department	<u>949,572</u>	<u>857,177</u>	<u>92,395</u>

City of Isle of Palms, South Carolina
Schedule of Detailed Revenues and Expenditures
Budget and Actual – General Fund
Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Recreation Programs:</u>			
Five Year Old & Under Play Group	\$ 750	\$ 271	\$ 479
Gymnastics	3,000	1,360	1,640
Special Activities	24,500	22,544	1,956
Summer Camp	14,500	10,019	4,481
Themed Activities	2,000	998	1,002
Adult Sports	13,000	6,389	6,611
Youth Sports	35,000	13,657	21,343
Teenagers	3,000	1,699	1,301
	<u>95,750</u>	<u>56,937</u>	<u>38,813</u>
Total Recreation Programs			
	<u>95,750</u>	<u>56,937</u>	<u>38,813</u>
Total Recreation	<u>1,045,322</u>	<u>914,114</u>	<u>131,208</u>
Non-Departmental			
Parking Meters			
Salaries - Over-time	1,500	3,955	(2,455)
Salaries - Part-time	110,000	67,053	42,947
Payroll Taxes	8,530	5,436	3,094
Retirement	-	1,443	(1,443)
Workers Compensation	5,957	2,918	3,039
	<u>125,987</u>	<u>80,805</u>	<u>45,182</u>
Total Parking Meters			
	<u>125,987</u>	<u>80,805</u>	<u>45,182</u>
Total Non-Departmental	<u>125,987</u>	<u>80,805</u>	<u>45,182</u>
Debt Service			
Principal	555,000	555,000	-
Interest	167,983	167,983	-
	<u>722,983</u>	<u>722,983</u>	<u>-</u>
Total Debt Service	<u>722,983</u>	<u>722,983</u>	<u>-</u>
Total General Fund Expenditures	<u>\$ 11,328,081</u>	<u>\$ 10,358,352</u>	<u>\$ 969,729</u>

City of Isle of Palms, South Carolina
Schedule of Expenditures by Type – Actual
Year Ended June 30, 2020

	General Government		
	Mayor and Council	Administration	Judicial and Legal
Departmental Expenditures			
Salaries - Full-time	\$ 17,000	\$ 403,495	\$ 69,384
Salaries - Over-time	-	928	1,702
Salaries - Part-time	-	-	15,041
Payroll Taxes	1,299	30,217	6,416
Retirement	1,901	58,531	12,468
Group Health Insurance	91,178	36,630	6,664
Workers Compensation	360	(683)	221
Unemployment Compensation	-	-	-
Print and Office Supplies	969	8,389	3,426
Membership and Dues	-	4,981	74
Membership and Seminars	8,919	1,704	512
Vehicle, Fuel, and Oil	-	579	-
Vehicle Maintenance	-	-	-
Electric and Gas	-	4,231	-
Telephone and Cable	2,354	9,423	3,409
Water and Sewer	-	1,566	-
Noncapital Tools and Equipment	-	552	624
Maintenance and Service Contracts	-	28,922	4,511
Machine and Equipment Repair	-	-	-
Uniforms	-	-	-
Cleaning and Sanitary Supplies	-	2,149	-
Storm Preparation & Cleanup	-	38,890	-
Medical and Lab	-	678	-
Insurance	2,016	19,864	669
Rent and Leases	-	8,998	-
Advertising	-	4,716	-
Employee Training	-	21,926	376
Professional Services	-	69,181	78,740
Temporary Labor	-	-	-
Contracted Services	-	40,131	-
Miscellaneous and Contingency	4,397	16,941	267
Volunteer Point Allocation	-	-	-
Citizens and Employee Services	1,163	-	-
Canine Kennel Expenses	-	-	-
Recreation Instruction Expense	-	-	-
Garbage Cart - Procurement	-	-	-
Election Expenses	-	2,206	-
Bank Service Charges	-	7,814	-
Total Departmental Expenditures	\$ 131,556	\$ 822,959	\$ 204,504

City of Isle of Palms, South Carolina
Schedule of Expenditures by Type – Actual
Year Ended June 30, 2020

	Public Safety		Building,	Public Works
	Police	Fire Department	Planning, and	Department
Departmental Expenditures	Department		Engineering	
Salaries - Full-time	\$ 1,235,798	\$ 1,728,922	\$ 247,287	\$ 566,183
Salaries - Over-time	167,858	364,157	491	10,757
Salaries - Part-time	13,809	2,514	-	2,577
Payroll Taxes	105,311	154,916	18,119	43,187
Retirement	237,075	363,949	35,849	83,647
Group Health Insurance	179,745	278,507	41,180	87,324
Workers Compensation	50,860	81,858	2,722	31,390
Print and Office Supplies	7,099	3,157	9,562	920
Membership and Dues	1,710	553	204	258
Membership and Seminars	640	314	24	-
Vehicle, Fuel, and Oil	55,802	12,693	3,220	61,548
Vehicle Maintenance	46,497	65,175	166	84,066
Electric and Gas	24,412	40,460	4,231	65,390
Telephone and Cable	48,010	55,278	4,311	12,309
Water and Sewer	5,700	10,633	1,374	2,178
Noncapital Tools and Equipment	2,943	4,760	500	1,895
Maintenance and Service Contracts	66,350	52,293	21,131	13,434
Machine and Equipment Repair	137	11,122	-	1,299
Uniforms	10,528	12,140	293	10,276
Cleaning and Sanitary Supplies	2,835	7,891	708	2,219
Storm Preparation & Cleanup	-	-	-	-
Medical and Lab	3,922	16,451	139	3,117
Insurance	70,235	119,306	8,673	44,939
Rent and Leases	4,334	5,807	1,101	1,392
Advertising	-	-	-	-
Employee Training	5,462	8,684	90	-
Professional Services	765	5,473	9,077	280
Temporary Labor	-	-	-	163,644
Contracted Services	4,180	-	-	-
Miscellaneous and Contingency	3,114	4,900	423	925
Volunteer Point Allocation	-	998	-	-
Citizens and Employee Services	-	-	-	-
Canine Kennel Expenses	398	-	-	-
Recreation Instruction Expense	-	-	-	-
Garbage Cart - Procurement	-	-	-	6,959
Election Expenses	-	-	-	-
Bank Service Charges	-	-	-	-
Total Departmental Expenditures	\$ 2,355,529	\$ 3,412,914	\$ 410,875	\$ 1,302,113

City of Isle of Palms, South Carolina
Schedule of Expenditures by Type – Actual
Year Ended June 30, 2020

	Recreation	Non-Departmental Parking Meters	Total
Departmental Expenditures			
Salaries - Full-time	\$ 379,099	\$ -	\$ 4,647,168
Salaries - Over-time	2,833	3,955	552,681
Salaries - Part-time	150,844	67,053	251,838
Payroll Taxes	39,796	5,436	404,697
Retirement	57,707	1,443	852,570
Group Health Insurance	57,056	-	778,284
Workers Compensation	9,873	2,918	179,519
Print and Office Supplies	8,720	-	42,242
Membership and Dues	1,345	-	9,125
Membership and Seminars	328	-	12,441
Vehicle, Fuel, and Oil	2,070	-	135,912
Vehicle Maintenance	4,966	-	200,870
Electric and Gas	27,872	-	166,596
Telephone and Cable	10,527	-	145,621
Water and Sewer	4,337	-	25,788
Noncapital Tools and Equipment	1,734	-	13,008
Maintenance and Service Contracts	38,478	-	225,119
Machine and Equipment Repair	1,564	-	14,122
Uniforms	36	-	33,273
Cleaning and Sanitary Supplies	6,344	-	22,146
Storm Preparation & Cleanup	-	-	38,890
Medical and Lab	1,344	-	25,651
Insurance	41,520	-	307,222
Rent and Leases	2,365	-	23,997
Advertising	-	-	4,716
Employee Training	1,092	-	37,630
Professional Services	120	-	163,636
Temporary Labor	-	-	163,644
Contracted Services	-	-	44,311
Miscellaneous and Contingency	2,210	-	33,177
Volunteer Point Allocation	-	-	998
Citizens and Employee Services	-	-	1,163
Canine Kennel Expenses	-	-	398
Recreation Instruction Expense	56,937	-	56,937
Garbage Cart - Procurement	-	-	6,959
Election Expenses	-	-	2,206
Bank Service Charges	-	-	7,814
Total Departmental Expenditures	\$ 914,114	\$ 80,805	\$ 9,635,369
		Debt Service	722,983
			\$ 10,358,352

City of Isle of Palms, South Carolina
Schedule of Fines, Assessments, and Surcharges
Year Ended June 30, 2020

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected			\$ 313,835.85	\$ 313,835.85
Court fines and assessments remitted to State Treasurer			\$ (33,792.14)	\$ (33,792.14)
Total Court Fines and Assessments retained	\$ -	\$ -	\$ 280,043.71	\$ 280,043.71
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 2,322.50	\$ 2,322.50
Assessments retained			\$ 2,830.24	\$ 2,830.24
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 5,152.74	\$ 5,152.74

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ 28,314.38		\$ 28,314.38
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	\$ -		\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 2,830.24		\$ 2,830.24
Victim Service Surcharges Retained by City/County Treasurer	\$ 2,322.50		\$ 2,322.50
Interest Earned	\$ -		\$ -
Grant Funds Received			
Grant from:			\$ -
General Funds Transferred to Victim Service Fund	\$ -		\$ -
Contribution Received from Victim Service Contracts:			
(1) Town of			\$ -
(2) Town of			\$ -
(3) City of			\$ -
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 33,467.12	\$ -	\$ 33,467.12

City of Isle of Palms, South Carolina
Schedule of Fines, Assessments, and Surcharges
Year Ended June 30, 2020

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits			\$ -
Operating Expenditures	\$ 4,355.49		\$ 4,355.49
Victim Service Contract(s):			
(1) Entity's Name			\$ -
(2) Entity's Name			\$ -
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			\$ -
(2) Rape Crisis Center:			\$ -
(3) Other local direct crime victims service agency:			\$ -
Transferred to General Fund			\$ -
Total Expenditures from Victim Service Fund/Program (B)	\$ 4,355.49	\$ -	\$ 4,355.49
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ 29,111.63		\$ 29,111.63
Less: Prior Year Fund Deficit Repayment			\$ -
Carryforward Funds – End of Year	\$ 29,111.63	\$ -	\$ 29,111.63

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Isle of Palms
Isle of Palms, South Carolina

We have audited the City of Isle of Palms (the City), in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

McKay Kiddy LLC

Mount Pleasant, South Carolina

November 12, 2020



City of Isle of Palms, South Carolina
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
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Internal control over financial reporting:

Material weakness identified?	No
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Significant deficiencies identified not considered to be material weakness?	No
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Noncompliance material to financial statements noted?	No
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Section II – Financial Statement Findings

None

Section III – Compliance Findings

None

Section IV – Summary Schedule of Prior Year Findings

Not Applicable



CITY COUNCIL MEETING
6:00pm, Tuesday, October 27, 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 Popson, Streetman, Moye, Ward, Bell, Pounds, Smith, Buckhannon, and Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Attorney Hinchey, various department heads

Also present: John Chalfie, Chairman Jay Leigh and General Manager Chris Jordan of the Isle of Palms Water & Sewer Commission

2. Citizens' Comments – attached to these minutes

City Clerk DeNeane read submitted comments into the record. They appear in full alongside this meeting's agenda on the City's website.

3. Consent Agenda

MOTION: Council Member Streetman made a motion to approve the items on the Consent Agenda, and Council Member Moye seconded the motion. The motion passed unanimously.

A. Approval of Previous Meetings' Minutes

- i. Regular Meeting – September 22, 2020
- ii. Special Meeting – October 2, 2020
- iii. Special Meeting – October 9, 2020

B. Approval of an amount not to exceed \$23,000 for roof repairs to the Public Works workshop to address ceiling condensation issues

C. Approval of increasing provision for Builder's Risk insurance for the marina dock rehabilitation project by an amount not to exceed \$35,000

4. Reports from Standing Committees

A. Ways and Means Committee

Council Member Pounds briefly reviewed the financial statements for September. Revenues are down approximately \$355,000 as compared to last year, a direct result of the effect of COVID-19 on tourism revenues. Expenses are approximately \$1M higher than this time last year which is

due to the Public Safety Building Rehabilitation project. General fund revenues and expenditures are about in line with budget. He does not think a budget adjustment is needed at this time.

Consideration of marina restaurant lease proposal from the IOP Families

Administrator Fragoso gave a brief overview of the timeline of events leading up the projected opening of the marina restaurant in Spring/Summer 2021. Council Member Pounds shared highlights of the lease agreement with the IOP Families Group. He also shared a map of the parking allowances at the marina, including dedicated spaces for the restaurant and marina. Administrator Fragoso noted the parking spaces previously encumbered by Tidal Wave Water Sports are now available to the City for possible use in the future. Those spaces could become available as free parking for properly-decaled residents. Council members noted what a laborious and complex process it has been to get to this point.

MOTION: Council Member Pounds made a motion to accept the marina restaurant lease proposal from the IOP Families Investment Group as presented in the Council meeting packet. Council Member Bell seconded the motion. The motion passed unanimously.

B. Public Safety Committee

Council Member Buckhannon reviewed the minutes of the October 5, 2020 meeting. Administrator Fragoso shared that the Public Safety staff has moved back into the building. Work is still being done on the entrance portico and landscaping as well as a number of punch list items throughout the building. Council Member Buckhannon noted the project remains ahead of schedule and under budget.

Administrator Fragoso reported that she received SCDOT's analysis of the locations for new crosswalks between 42nd and 57th avenues. Those locations have been sent over to the Police Department for their own on-site assessment. She added that the City is partnering with Wild Dunes in a cost sharing and public/private partnership to cover the costs of the construction and installation of the crosswalks.

MOTION: Council Member Ward to award the Signal 30 Award to Terry McKenzie. Council Member Moye seconded the motion.

The Signal 30 Award is given in recognition of special citizen service. Council Member Buckhannon briefly shared the incident leading to Mr. McKenzie's nomination.

VOTE: The motion passed unanimously.

MOTION: Council Member Buckhannon made a motion to approve the mutual aid agreements with the City of North Charleston and the Town of Summerville. Council Member Ward seconded the motion. The motion passed unanimously.

C. Public Works Committee

Council Member Pounds reviewed the minutes of the October 1, 2020 meeting.

MOTION: Council Member Pounds made a motion to approve the Memorandum of Understanding between the City of Isle of Palms and the Isle of Palms Water & Sewer Commission.

Council Member Pounds said the Planning Commission and the Water & Sewer Commission will work on a more detailed plan regarding sewer expansion over the next year. Council Member Moye noted the sewer system expansion is among the topics of discussion in the Strategic Planning Process and is encouraged by this shared vision between the City and the Water & Sewer Commission.

VOTE: The motion passed unanimously.

D. Recreation Committee

Council Member Smith reviewed the minutes of the October 5, 2020 meeting.

She shared that a recent incident of blue fertilizer dye on the recreation fields (which is non-toxic and non-corrosive) will be discussed at the next Recreation Committee meeting. Director Page shared that 60 golf carts have signed p for the upcoming Halloween Parade on October 31st.

E. Personnel Committee

Council Member Moye reviewed the minutes of the October 8, 2020 meeting.

F. Real Property Committee

Council Member Buckhannon reviewed the minutes of the October 7, 2020 meeting.

5. Reports from City Officers, Boards, and Commissions

- A. **Accommodations Tax Advisory Committee** – no meeting
- B. **Board of Zoning Appeals** – no meeting
- C. **Planning Commission** – minutes attached

6. Reports from Special or Joint Committees – none

7. Petitions Received, Referred or Disposed of – none

8. Bills already in Possession of Council

9. Introduction of New Bills, Resolutions, and Proclamations

- A. **Ordinance 2020-10 – An ordinance to amend the City's Zoning Ordinance to allow sewer pump stations in the SR-1 single-residential district**

MOTION: Council Member Pounds made a motion to approve for First Reading and allow for discussion, and Council Member Popson seconded the motion.

Chairman Jay Leigh of the IOP Water & Sewer Commission stated that the future sewer expansion on the island will require lift station across the island. The property at 7th Avenue and Palm Boulevard is located in a space proposed by Thomas & Hutton as a location for a future lift

station. He shared that Special Projects Administrator Bill Jenkins spoke with neighboring property owners who approve of the use of the space as a park and future lift station. He said the sewer expansion is necessary and must be done before it becomes an environmental issue. Chairman Leigh said this particular property is just the first of many that will need to be purchased to further the sewer expansion.

Director Kerr reported that the Planning Commission will hold a Special Meeting on October 28 to establish “performance criteria” for the lift stations such as screening, vegetative buffers, and odor control.

Council members expressed concern about a perceived rush to change the zoning ordinance to accommodate the purchase of this property without further citizen input and research by the Planning Commission.

Engineer Mark Yodice of Thomas & Hutton explained the need for the number of lift stations and how the potential locations were identified in the Sewer Master Plan. He said that most municipalities allow for a utility track for sewer pump or lift stations, but the development of the island did not accommodate for that. He agreed that going forward “you can design and incorporate a lot of techniques that help mitigate noise, odor, light pollution.” He said it is not possible to identify each piece of property on which a lift station will sit, and that the Water & Sewer Commission will likely acquire property as it becomes available. The process of acquiring all needed properties could take decades.

Council Member Pounds said something must be done to move forward if the City is serious about island-wide sewer.

VOTE: The motion passed unanimously.

B. Ordinance 2020-11 – An ordinance to amend the regulations of alarm systems

MOTION: Council Member Buckhannon made a motion to approve, and Council Member Moya seconded the motion. The motion passed unanimously.

C. Ordinance 2020-12 – An ordinance to enter into a commercial lease with Marker 116, LLC

MOTION: Mayor Carroll made a motion to approve for First Reading and to allow for discussion. Council Member Bell seconded the motion.

Jon Chalfie said this lease is a “big improvement” over the previous lease with the Morgan Creek Grill. He said this new lease is for a sit-down only restaurant. He added, “The tenant is providing a personal guarantee on the lease just up until the point where they complete the building. So they are guaranteeing that they are going to at least improve the building and complete it to finish, which I think protects the City.” He also noted that the restaurant lease ends concurrently with the marina lease so that a future Council could figure out a “broad picture for the marina site if they wanted to go in a different direction.” He also commended City Council for their foresight to begin work on this effort long in advance of the expiration of the lease with the Morgan Creek Grill.

VOTE: The motion passed unanimously.

D. Ordinance 2020-14 – Fifth amendment to commercial lease agreement to Marina Joint Ventures, LLC

MOTION: Council Member Bell made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

10. Miscellaneous Business

A. The next meeting of the City Council will be Tuesday, November 17, 2020 at 6:00pm.

B. Discussion of conducting economic analysis of taking ownership, control, and maintenance of SCDOT roads.

Mayor Carroll said he placed this item on the agenda to determine if there was any appetite from City Council to take ownership of any SCDOT roads. Council Member Bell noted that SCDOT has been remiss in taking care of large sections of Palm Boulevard, and the City should rope off those areas until they are fixed.

Administrator Fragoso pointed out that a 2013 analysis of Palm Boulevard estimated over \$1M in annual maintenance costs to the City. Director Kerr stated the City has asked SCDOT about Palm Boulevard ownership twice, and SCDOT said the City cannot have control or ownership of that road. Council Member Bell said SCDOT needs to be held accountable for the repairs needed to Palm Boulevard.

11. Adjournment

Council Member Buckhannon made a motion to adjourn, and Council Member Streetman seconded the motion. The meeting was adjourned at 8:09pm.

Respectfully submitted,

Nicole DeNeane
City Clerk



SPECIAL CITY COUNCIL MEETING
1:00pm, Tuesday, November 3, 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 Buckhannon, Bell, Smith, Popson, Streetman, and Pounds, and Ward, Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Attorney Hinchey, Treasurer Suggs, various department heads

Also present: Jon Chalfie, John Bushnell and Dave Lorenz, Bryan Kitz

2. Purpose

Mr. Jon Chalfie gave a timeline of events leading to the lease being considered for a new restaurant at the Isle of Palms Marina. He also reviewed some highlights of the lease and key points of the deal with the Isle of Palms Families Group that will be renovating and operating the restaurant space at the marina. His presentation can be found on the City's website alongside this agenda.

Mr. John Bushnell and Mr. Dave Lorenz of the IOP Families Group shared how they came to the decision to answer the RFP for the marina restaurant space as well as their vision and concepts for the restaurant, including indoor and outdoor seating and a bar and menu for "reasonably priced items and casual dining." They also reviewed the extensive amount of work that needs to be done to the current building prior to its proposed opening in the Summer of 2021. Their presentation can be found on the City's website alongside this agenda.

City Council members asked clarifying questions of Mr. Chalfie, Mr. Bushnell, and Mr. Lorenz. Mr. Lorenz said he not a fine dining restaurant owner, so the food will remain affordably priced. They view the dock as additional parking and hope that people will stop to enjoy the restaurant along their drive on the ICW.

With regards to comments about the public's concern that the City is subsidizing this venture, Mr. Lorenz said he believes there is a lot of misinformation about the deal in the public, adding that they are putting up a significant amount of money to renovate and revitalize a city-owned asset. Mr. Chalfie shared that the building's current condition is the main reason why the City did not receive more responses to its RFP. The IOP Families Group reported on the expenses they have already incurred to this point including attorney, architect, designer, and structural engineering fees.

Administrator Fragoso reported on the parking agreement reached between the City, the IOP Families Group, and Marina Joint Ventures: “We talked about how complicated the parking conversation has been throughout this whole process mainly due to the fact that we are dealing with a lease that predates most of us. It is sort of set in stone. We have to maneuver and negotiate through that. The marina manager and Marina Joint Ventures lease does require the tenant to provide free employee parking to all tenants and to tenant employees. However, the restaurant group felt it important to have control and have exclusive use of this parking for employees. I think John Bushnell talked about how important it is to ensure that when restaurant employees show up for work they do have a place to park. We can go look into the history of the relationship and the issues we had with the former tenant and not finding appropriate space. I guess the ambiguities on the existing lease that we are working around due to the fact that it doesn’t spell out how many parking spaces need to be provided for employees. So that is the reason why it is very beneficial for both parties to work on a parking agreement that works for the benefit of both parties.”

Of Ordinance 2020-13, Administrator Fragoso said it is a “very limited amendment” to the “employee parking to protect the restaurant in the event that the parking agreement between those two parties is terminated, we will still have a way to protect and provide employee parking to the restaurant” whether it is the IOP Families Group or another tenant.

Administrator Fragoso added that the South Carolina Freedom of Information Act “does protect contractual agreements and contractual negotiations from being done in the public sphere, and just like the nature of any contract, any negotiation, there is value in not sort of showing your hand basicallt. So that is why it is protected and is exempted from those disclosure laws, and that is the reason why City Council had Executive Sessions because every time there was any discussion that needed to be shared with the group was done and was presented to the full body. No decisions were made in Executive Session. No decisions were made by staff without sharing it and getting approval from the policy setting group.

Mr. Bryan Kitz, Real Estate Attorney with Haynsworth Sinkler & Boyd, said the lease has been heavily negotiated between both parties. He said, “I think that it is worth noting here that the landlord, the City, has fairly comprehensive oversight and approval of pretty much the entire construction process, and I would point to everyone’s attention to Exhibit E, which is the work letter which is signed along with the lease, and the City’s entitled to review preliminary site plans, preliminary project budget cost estimates, the actual build-out estimates, and the final construction plans and specifications. So the City’s thumbprints are all over this. The obligation to actually build out the tenant space, to engage the contractors and complete construction is entirely on the tenant, but the City does have fairly comprehensive oversight of that process.”

The City’s oversight allows them to reject it at any point in the process. Much of the approval process will be handled by City administration and the Building Department. Conceptual designs will be shared with the Real Property Committee, City Council, and posted for the public to review. Mr. Chalfie noted that the city has the right to cancel the lease if the building does not meet expectations.

MOTION: Council Member Ward made a motion to defer the second readings of Ordinance 2020-12 and Ordinance 2020-13 until the November 17 Ways & Means Committee meeting so the public has an opportunity to review the lease. Council Member Buckhannon seconded the motion.

MOTION: Council Member Streetman made a motion to amend the meeting date to Tuesday, November 10 and to open the meeting up to public comments. Council Member Pounds seconded the motion.

Council Member Ward said, "For the record, if I had my way, I would find some way to postpone the decision on this matter until the City was open for business. Meaning that we were back in City Hall and people could come and make comments about this."

After some discussion, it was determined the meeting would be held at 6pm to accommodate public participation.

VOTE: The vote on the motion to amend passed unanimously.

VOTE: The vote on the original motion as amended passed unanimously.

3. **Executive Session** -- none

4. **Adjournment**

Council Member Buckhannon made a motion to adjourn and Council Member Bell seconded the motion. The meeting was adjourned at 2:27pm.

Respectfully submitted,

Nicole DeNeane
City Clerk



SPECIAL CITY COUNCIL MEETING
6:00pm, Tuesday, November 10, 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 Buckhannon, Bell, Smith, Popson, Streetman, and Pounds, and Ward, Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Attorney Hinchey, Chief Cornett

Also present: Jon Chalfie, Dave and Chrissy Lorenz, Bryan Kitz

2. Public Comments

Mr. Stephen Slotchiver, 273 Forest Trail, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Ms. Linda-Marie Hamill, 117 Sparrow Drive, thanked Council for approving the lease for the new restaurant at the Marina.

Mr. Dan Slotchiver, 6805 Back Bay Drive, spoke in favor of the IOP Families Group opening a restaurant at the Marina and hopes City Council will vote in favor of the lease.

Ms. Katie Miars, 269 Forest Trail, is also looking forward to the new restaurant at the Marina. She said the more restaurants, the better.

Mr. Bill Barber, 29 31st Avenue, spoke out with concern about the RFP process, said the guaranteed rent is below market value and the City should be asking for a minimum guaranteed rent. He said several benefits, such as building repairs and lower food prices, are not mentioned in the agreement. He said other restaurants feel they are competing with the City government.

Mr. Mike Zimov, 2 Tabby Lane, spoke in favor of the lease as proposed and believes it is in the best interest of the City to have the property upgraded.

Mr. Gary Nestler, 17 22nd Avenue, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Ms. Julie Nestler, 17 22nd Avenue, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Mr. Michael Calder, 5 Shad Row, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Mr. Sam Williams, 11 44th Avenue, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Mr. Shevlin Howe, 278 Forest Trail, spoke in favor of the lease for the IOP Families Group and encouraged City Council to prevent further delays in the process.

Ms. Karen Joyce, 9 30th Avenue, spoke in favor of the IOP Families Group opening a restaurant at the Marina.

Mayor Carroll encouraged those who signed up to speak but were unable to do so because of the time limit to submit their comments in writing on the City's website. All emails received by the City regarding the Marina restaurant lease can be found on the City's website alongside the agenda for this meeting.

3. Purpose

A. Second Reading of Ordinance 2020-12 – An ordinance to enter into a commercial lease with Marker116, LLC

MOTION: Council Member Bell made a motion to approve the lease as presented. Council Member Pounds seconded the motion.

MOTION: Council Member Streetman made a motion to remove “(Marina Joint Ventures)” from the parking exhibit within the lease. Council Member Bell seconded the motion.

Council Member Streetman said he would like to see that changed to avoid confusion. Administrator Fragoso indicated that City Council has not yet made a decision if the parking spaces formerly encumbered by the previous water sports operation (now under the City's control) will be free spaces for residents to park.

Regarding the motion to amend, Administrator Fragoso pointed out there is a separate lease with Marina Joint Ventures that “indicates that parking management and the shared parking would be managed by the Marina Manager.” Making this amendment to the lease does not “change the fact that the Marina Manager currently per that lease has control” over the management of the parking. She further noted that this particular lease is not on the agenda for discussion.

She added, “Exhibit five makes the marina the one in charge and responsible for parking management on the Marina site, and also includes the share parking is managed and shared among all the tenants under the direction of the Marina Manager. So we want to make sure that the language from this lease is consistent with the current lease that the City has with the current stakeholder.” Striking the mention of Marina Joint Ventures from the parking exhibit “does not change the fact that the shared parking through a different lease is managed by the Marina Manager.”

Council Member Streetman said the Real Property Committee may need to look at this further.

VOTE: A vote was taken on the amendment and was passed unanimously.

VOTE: A vote was taken on the original motion as amended and was passed unanimously.

B. Second Reading of Ordinance 2020-13 – Fifth amendment to commercial lease agreement with Marina Joint Ventures

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

Administrator Fragoso stated, “This is a very limited amendment to Exhibit Five of the existing Marina Joint Ventures agreement. It basically establishes the termination clause in the event the parking agreement that has been entered between the Marina restaurant folks and the Marina Manager for the exclusive use of employee parking, which he is responsible to provide. In the event that that is terminated, then the language and the existing lease would revert back to the way that it is now. That would help protect the restaurants from having employee parking in the event that this mutually agreeable agreement, for lack of a better word, is terminated. The Marina Manager would still be responsible for providing and accommodating employee parking on this site.”

VOTE: The motion passed unanimously.

C. Consideration of Emergency Ordinance 2020-14 to extend the State of Emergency, modify beach parking restrictions and extend other emergency provisions due to COVID-19

MOTION: Council Member Bell made a motion to defer consideration of Emergency Ordinance 2020-14 until next week’s City Council meeting. Council Member Streetman seconded the motion. The motion passed unanimously.

4. **Executive Session** -- none

5. **Adjournment**

Council Member Buckhannon made a motion to adjourn and Council Member Moye seconded the motion. The meeting was adjourned at 7:00pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Isle of Palms Fire Department Memorandum

To : Administrator Fragoso
From : Chief Graham
Date : 11/6/2020
Re : Replacement of 2003 Engine 1002 vs refurbishing

As you are aware, the FY20 budget includes \$300,000 for the refurbishment of Engine 2 Pumper Truck which was purchased in 2003. The quoted amount used to build the budget has expired and the new quote exceeds the budget by over \$35,000.

While researching options available to the City, I learned of several demo apparatus that will be available in 2021. Demo trucks are generally less expensive than custom build trucks since they are basic trucks that have not been customized for any department. However, if a department selects a demo truck early in the production process, it would have the opportunity to customize some components at a reduced cost. Another benefit to purchasing a demo truck is the reduced timeframe to completing and delivering the truck. The City has had a successful experience purchasing demo trucks in the past.

It is not possible to predict or plan for when demo trucks become available or their cost. However, when they do become available, departments from all over the country seize the opportunity to purchase them due to significant cost savings.

During this process, we also received an updated appraisal value of this truck at \$12,000. Due its condition and low appraised value, I do not recommend that the City invests over \$300,000 refurbishing it and believe the City should seriously consider purchasing a demo unit that fits our needs. A demo truck will come with a full warranty, compared to a refurbished truck that would only have a 1-year warranty.

The 2004 75' Ladder Truck that has been recently replaced, has an appraised value of \$51,000. If the City approves the purchase of a new demo pumper truck instead of refurbishing the existing one, the City could trade in the 2004 75' Ladder Truck as a down payment.

Safe Industries has 6 demo units that are available on a first-come, first-serve basis. Our Fire Department's Apparatus Committee identified a 2021 Typhoon (New) pumper with a low-hosebed as the demo unit that could best meets our needs. It has a 1,500gpm Waterous CSU pump, Cummins L9; 450HP. 1,030 gallon water tank. It has full-height and split-depth compartment on both sides. Beside the tank ladder storage, hard suction storage above the ladders, 4-person seating and back-up camera.

The price for this demo truck \$536,500. This price includes a \$10,000 contingency fund and travel costs for the final inspection. After evaluation, this demo truck would need additional modifications of approximately \$55,000 to meet our needs. The price is expected to increase 6% by the end of the year and an additional 4% by April 2021.

The total cost of the demo truck, including the modifications and the \$51,000 of the trade in, comes to approximately \$525,000.

If the City agreed to purchase this demo truck instead of refurbishing the existing truck by the end of this year, we would have the ability and time to make all modifications, save some money and reduce turnaround time. This particular demo truck is slated for production and the City would need to issue a letter of intent to purchase to hold it.

I recommend that the City purchase the proposed demo truck as it provides the best and longer value to the City of Isle of Palms.

THOMAS & HUTTON

682 JOHNNIE DODDS BLVD, SUITE 100 | MOUNT PLEASANT, SC 29464
POST OFFICE BOX 1522 | MOUNT PLEASANT, SC 29465-1522
843.849.0200 | WWW.THOMASANDHUTTON.COM

November 12, 2020

Desirée Fragoso
City Administrator
Isle of Palms
1207 Palm Boulevard
Post Office Box 508
Isle of Palms, SC 29451

Re: Bid of October 29, 2020 at 2:00 P.M.
Isle of Palms Phase 3
Internal Drainage Improvements
27670.0003

Dear Desirée:

Three (3) bids were received for the referenced project. An abstract of the bids is attached.

We offer the following comments on the bids received:

1. All bidders submitted the required Bid Bond.
2. Two of the three bidders did not include all the required bid documents.
3. All bidders acknowledged receipt of the one (1) addendum issued.
2. No bidder submitted any notice of conflicts, errors, ambiguities, or discrepancies.
3. The bids are subject to acceptance for sixty (60) days from the bid date.

Based on our review, we believe the low responsive bidder is Gulf Stream Construction Company, Inc. Their surety company, Travelers Casualty and Surety Company of America, is a licensed surety company in the State of South Carolina and meets the South Carolina Code of Law requirement to issue bid, performance, and payment bonds.

Before the contract is awarded, we recommend legal counsel review the proposed award recommendations and procedures prior to implementation.

Thank you. If there are any questions, please call me at (843) 725-5272.

Sincerely,

THOMAS & HUTTON



Hillary Aton

HEA
Enclosure / Bid Abstract

**Bid Opening
Isle of Palms Phase 3
Internal Drainage Improvements**

October 29, 2020 at 2:00 p.m.
J-27670.0003

682 Johnnie Dodds Blvd., Suite 100
Mt. Pleasant, SC 29464

P.O. Box 1522
Mt. Pleasant, SC 29465-1522
843-849-0200

BID TABULATION

<i>Contractor</i>	<i>Total Base Bid</i>	<i>Bid Bond Included</i>	<i>Qualifications Included</i>
Gulfstream	\$ 614,985.07	✓	✓
Eadies	\$ 1,043,533.00	✓	X
Greenwave	\$ 784,280.00	✓	X

BID TABULATION FOR
PROJECT: Isle of Palms Phase 3 Internal Drainage Improvements
LOCATION : Isle of Palms, SC



	General Items	Sparrow Drive Drainage Improvements	Forest Trail Drainage Improvements	Cross Lane Drainage Improvements	32nd Avenue Drainage Improvements	41st Avenue (South) Drainage Improvements	41st Avenue at Forest Trail Drainage Improvements	41st Avenue (North) Drainage Improvements	TOTAL BASE BID
Gulf Stream Construction Company, Inc.	\$ 90,167.44	\$ 71,615.34	\$ 34,690.73	\$ 88,791.19	\$ 116,967.35	\$ 51,602.97	\$ 90,773.89	\$ 67,922.71	\$ 612,531.62
Greenwave Contracting	\$ 75,000.00	\$ 79,550.00	\$ 68,315.00	\$ 84,844.00	\$ 110,373.00	\$ 49,707.00	\$ 253,945.00	\$ 62,546.00	\$ 784,280.00
Eadie's Construction	\$ 66,700.00	\$ 129,688.00	\$ 86,077.00	\$ 142,184.00	\$ 189,339.00	\$ 69,976.00	\$ 286,004.00	\$ 73,565.00	\$ 1,043,533.00

I hereby certify that this is a true and correct tabulation of bids received on the referenced project.

 Hillary Aton, #33521
 Engineer / License #
 Thomas & Hutton Engineering Co.

 11/4/2020
 Date

1. Breakdown above provided for the bids received .
2. Numbers in **red** represent corrected totals based on unit prices provided.

BID TABULATION - COMPARISON OF UNIT PRICING

PROJECT: Isle of Palms Phase 3 Internal Drainage Improvements
LOCATION : Isle of Palms, SC



ITEM		QUANTITY		Gulf Stream Construction Company, Inc.		Greenwave Contracting		Eadie's Construction	
		Units	UNIT MEASURE	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST
General Items									
1	Mobilization	1	LS	\$ 70,211.48	\$ 70,211.48	\$ 60,000.00	\$ 60,000.00	\$ 48,700.00	\$ 48,700.00
2	Bonds and Insurance	1	LS	\$ 19,955.96	\$ 19,955.96	\$ 15,000.00	\$ 15,000.00	\$ 18,000.00	\$ 18,000.00
Subtotal - General Items					\$ 90,167.44		\$ 75,000.00		\$ 66,700.00
Sparrow Drive Drainage Improvements									
1	Traffic Control	1	LS	\$ 127.61	\$ 127.61	\$ 1,000.00	\$ 1,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 3,266.86	\$ 3,266.86	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0	AC	\$ 22,173.29	\$ 2,217.33	\$ 10,000.00	\$ 1,000.00	\$ 22,000.00	\$ 2,200.00
4	Removal of Existing Culvert 1' x 18'	177	LF	\$ 45.23	\$ 8,005.71	\$ 20.00	\$ 3,540.00	\$ 43.00	\$ 7,611.00
5	Removal of Existing Structure	2	EA	\$ 686.95	\$ 1,373.90	\$ 1,200.00	\$ 2,400.00	\$ 930.00	\$ 1,860.00
6	24" x 38" RCEP (Class III)	177	LF	\$ 180.86	\$ 32,012.22	\$ 240.00	\$ 42,480.00	\$ 389.00	\$ 68,853.00
7	Grate Inlet (36" x 36")	2	EA	\$ 4,681.84	\$ 9,363.68	\$ 4,000.00	\$ 8,000.00	\$ 10,092.00	\$ 20,184.00
8	Rip-Rap Class B	40	TON	\$ 163.88	\$ 6,555.20	\$ 150.00	\$ 6,000.00	\$ 91.00	\$ 3,640.00
9	Geotextile for Erosion Control Under Rip-Rap	50	SY	\$ 6.61	\$ 330.50	\$ 10.00	\$ 500.00	\$ 2.00	\$ 100.00
10	Sodding	1	MSY	\$ 6,651.99	\$ 3,658.59	\$ 7,100.00	\$ 3,905.00	\$ 16,000.00	\$ 8,800.00
11	Silt Fence	385	LF	\$ 2.96	\$ 1,139.60	\$ 4.00	\$ 1,540.00	\$ 8.00	\$ 3,080.00
12	Replace/Repair Silt Fence	100	LF	\$ 6.74	\$ 674.00	\$ 4.00	\$ 400.00	\$ 7.00	\$ 700.00
13	Removal of Silt Retained by Silt Fence	385	LF	\$ 3.28	\$ 1,262.80	\$ 6.00	\$ 2,310.00	\$ 10.00	\$ 3,850.00
14	Misc. Erosion Control/Water Management	1	EA	\$ 1,627.34	\$ 1,627.34	\$ 4,975.00	\$ 4,975.00	\$ 2,750.00	\$ 2,750.00
Subtotal - Sparrow Drive Drainage Improvements					\$ 71,615.34		\$ 79,550.00		\$ 129,688.00
Forest Trail Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 3,000.00	\$ 3,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 3,119.04	\$ 3,119.04	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0.08	AC	\$ 22,173.28	\$ 1,773.86	\$ 12,000.00	\$ 960.00	\$ 22,000.00	\$ 1,760.00
4	Removal & Disposal of Existing Pavement	25	SY	\$ 17.27	\$ 431.75	\$ 125.00	\$ 3,125.00	\$ 66.00	\$ 1,650.00
5	Removal of Existing Culvert 1' x 15'	36	LF	\$ 33.99	\$ 1,223.64	\$ 20.00	\$ 720.00	\$ 43.00	\$ 1,548.00
6	Hot Mix Asphalt Surface Course Type B	4	TON	\$ 665.20	\$ 2,660.80	\$ 285.00	\$ 1,140.00	\$ 570.00	\$ 2,280.00
7	24" RC pipe (Class III)	80	LF	\$ 102.28	\$ 8,182.40	\$ 100.00	\$ 8,000.00	\$ 333.00	\$ 26,640.00
8	Rip-Rap Class B	25	TON	\$ 163.88	\$ 4,097.00	\$ 150.00	\$ 3,750.00	\$ 91.00	\$ 2,275.00
9	Geotextile for Erosion Control Under Rip-Rap	30	SY	\$ 6.61	\$ 198.30	\$ 10.00	\$ 300.00	\$ 2.00	\$ 60.00
10	Sodding	0.40	MSY	\$ 6,651.99	\$ 2,660.80	\$ 7,100.00	\$ 2,840.00	\$ 16,000.00	\$ 6,400.00
11	Silt Fence	233	LF	\$ 2.96	\$ 689.68	\$ 4.00	\$ 932.00	\$ 8.00	\$ 1,864.00
12	Replace/Repair Silt Fence	100	LF	\$ 6.74	\$ 674.00	\$ 4.00	\$ 400.00	\$ 7.00	\$ 700.00
13	Removal of Silt Retained by Silt Fence	233	LF	\$ 4.23	\$ 985.59	\$ 6.00	\$ 1,398.00	\$ 10.00	\$ 2,330.00
14	Utility Work Within Project Area	1	LS	\$ 3,695.55	\$ 3,695.55	\$ 34,000.00	\$ 34,000.00	\$ 29,760.00	\$ 29,760.00
15	Misc. Erosion Control/Water Management	1	EA	\$ 813.90	\$ 813.90	\$ 6,250.00	\$ 6,250.00	\$ 2,750.00	\$ 2,750.00
Subtotal - Forest Trail Drainage Improvements					\$ 34,690.73		\$ 68,315.00		\$ 86,077.00

BID TABULATION - COMPARISON OF UNIT PRICING

PROJECT: Isle of Palms Phase 3 Internal Drainage Improvements

LOCATION : Isle of Palms, SC



ITEM		QUANTITY		Gulf Stream Construction Company, Inc.		Greenwave Contracting		Eadie's Construction	
		Units	UNIT MEASURE	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST
Cross Lane Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 3,000.00	\$ 3,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 3,178.17	\$ 3,178.17	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0.17	AC	\$ 22,173.29	\$ 3,769.46	\$ 8,000.00	\$ 1,360.00	\$ 22,000.00	\$ 3,740.00
4	Removal & Disposal of Existing Pavement	20	SY	\$ 25.89	\$ 517.80	\$ 125.00	\$ 2,500.00	\$ 66.00	\$ 1,320.00
5	Removal of Existing Culvert 1' x 15"	39	LF	\$ 33.39	\$ 1,302.21	\$ 20.00	\$ 780.00	\$ 43.00	\$ 1,677.00
6	Removal of Existing Culvert 1' x 24"	132	LF	\$ 28.32	\$ 3,738.24	\$ 20.00	\$ 2,640.00	\$ 43.00	\$ 5,676.00
7	Hot Mix Asphalt Surface Course Type B	3	TON	\$ 665.20	\$ 1,995.60	\$ 285.00	\$ 855.00	\$ 720.00	\$ 2,160.00
8	24" RC pipe (Class III)	172	LF	\$ 102.28	\$ 17,592.16	\$ 100.00	\$ 17,200.00	\$ 232.00	\$ 39,904.00
9	Grate Inlet (36" x 36")	2	EA	\$ 4,681.84	\$ 9,363.68	\$ 4,000.00	\$ 8,000.00	\$ 9,514.00	\$ 19,028.00
10	Rip-Rap Class B	65	TON	\$ 163.88	\$ 10,652.20	\$ 150.00	\$ 9,750.00	\$ 91.00	\$ 5,915.00
11	Geotextile for Erosion Control Under Rip-Rap	85	SY	\$ 6.61	\$ 561.85	\$ 10.00	\$ 850.00	\$ 2.00	\$ 170.00
12	Sodding	0.79	MSY	\$ 6,651.99	\$ 5,255.07	\$ 7,100.00	\$ 5,609.00	\$ 16,000.00	\$ 12,640.00
13	Silt Fence	490	LF	\$ 2.96	\$ 1,450.40	\$ 4.00	\$ 1,960.00	\$ 8.00	\$ 3,920.00
14	Replace/Repair Silt Fence	200	LF	\$ 3.37	\$ 674.00	\$ 4.00	\$ 800.00	\$ 7.00	\$ 1,400.00
15	Removal of Silt Retained by Silt Fence	490	LF	\$ 2.97	\$ 1,455.30	\$ 6.00	\$ 2,940.00	\$ 10.00	\$ 4,900.00
16	Utility Work Within Project Area	1	LS	\$ 22,173.29	\$ 22,173.29	\$ 17,000.00	\$ 17,000.00	\$ 30,924.00	\$ 30,924.00
17	Misc. Erosion Control/Water Management	1	EA	\$ 1,627.34	\$ 1,627.34	\$ 8,100.00	\$ 8,100.00	\$ 2,750.00	\$ 2,750.00
Subtotal - Cross Lane Drainage Improvements					\$ 88,791.19		\$ 84,844.00		\$ 142,184.00
32nd Avenue Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 3,000.00	\$ 3,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 2,586.88	\$ 2,586.88	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0	AC	\$ 22,173.29	\$ 2,882.53	\$ 12,000.00	\$ 1,560.00	\$ 22,000.00	\$ 2,860.00
4	Removal & Disposal of Existing Pavement	53	SY	\$ 8.68	\$ 460.04	\$ 125.00	\$ 6,625.00	\$ 66.00	\$ 3,498.00
5	Removal of Existing Culvert 1' x 15"	5	LF	\$ 54.27	\$ 271.35	\$ 20.00	\$ 100.00	\$ 43.00	\$ 215.00
6	Removal of Existing Culvert 1' x 24"	240	LF	\$ 27.36	\$ 6,566.40	\$ 20.00	\$ 4,800.00	\$ 43.00	\$ 10,320.00
7	Removal of Existing Structure	2	EA	\$ 572.22	\$ 1,144.44	\$ 750.00	\$ 1,500.00	\$ 930.00	\$ 1,860.00
8	Hot Mix Asphalt Surface Course Type B	7	TON	\$ 665.20	\$ 4,656.40	\$ 285.00	\$ 1,995.00	\$ 384.00	\$ 2,688.00
9	18" RC pipe (Class III)	5	LF	\$ 86.09	\$ 430.45	\$ 100.00	\$ 500.00	\$ 332.00	\$ 1,660.00
10	36" RC pipe (Class III)	241	LF	\$ 152.92	\$ 36,853.72	\$ 125.00	\$ 30,125.00	\$ 364.00	\$ 87,724.00
11	Grate Inlet (36" x 36")	3	EA	\$ 4,681.84	\$ 14,045.52	\$ 4,500.00	\$ 13,500.00	\$ 6,411.00	\$ 19,233.00
12	Rip-Rap Class B	30	TON	\$ 163.88	\$ 4,916.40	\$ 150.00	\$ 4,500.00	\$ 91.00	\$ 2,730.00
13	Geotextile for Erosion Control Under Rip-Rap	40	SY	\$ 6.61	\$ 264.40	\$ 10.00	\$ 400.00	\$ 2.00	\$ 80.00
14	Sodding	0.58	MSY	\$ 6,651.99	\$ 3,858.15	\$ 7,100.00	\$ 4,118.00	\$ 16,000.00	\$ 9,280.00
15	Silt Fence	470	LF	\$ 2.96	\$ 1,391.20	\$ 4.00	\$ 1,880.00	\$ 8.00	\$ 3,760.00
16	Replace/Repair Silt Fence	200	LF	\$ 2.09	\$ 418.00	\$ 4.00	\$ 800.00	\$ 7.00	\$ 1,400.00
17	Removal of Silt Retained by Silt Fence	470	LF	\$ 4.48	\$ 2,105.60	\$ 6.00	\$ 2,820.00	\$ 10.00	\$ 4,700.00
18	Utility Work Within Project Area	1	LS	\$ 28,825.27	\$ 28,825.27	\$ 23,000.00	\$ 23,000.00	\$ 28,521.00	\$ 28,521.00
19	Misc. Erosion Control/Water Management	1	EA	\$ 1,806.18	\$ 1,806.18	\$ 7,650.00	\$ 7,650.00	\$ 2,750.00	\$ 2,750.00
Subtotal - 32nd Avenue Drainage Improvements					\$ 116,967.35		\$ 110,373.00		\$ 189,339.00

BID TABULATION - COMPARISON OF UNIT PRICING

PROJECT: Isle of Palms Phase 3 Internal Drainage Improvements

LOCATION : Isle of Palms, SC



ITEM		QUANTITY		Gulf Stream Construction Company, Inc.		Greenwave Contracting		Eadie's Construction	
		Units	UNIT MEASURE	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST	PER UNIT	TOTAL COST
41st Avenue (South) Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 2,000.00	\$ 2,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 2,808.62	\$ 2,808.62	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0.10	AC	\$ 22,173.29	\$ 2,217.33	\$ 8,000.00	\$ 800.00	\$ 22,000.00	\$ 2,200.00
4	Removal & Disposal of Existing Pavement	65	SY	\$ 8.50	\$ 552.50	\$ 125.00	\$ 8,125.00	\$ 66.00	\$ 4,290.00
5	Removal of Existing Culvert 1' x 18"	40	LF	\$ 33.21	\$ 1,328.40	\$ 20.00	\$ 800.00	\$ 43.00	\$ 1,720.00
6	Hot Mix Asphalt Surface Course Type B	9	TON	\$ 665.20	\$ 5,986.80	\$ 285.00	\$ 2,565.00	\$ 324.00	\$ 2,916.00
7	36" RC Pipe (Class III)	82	LF	\$ 152.92	\$ 12,539.44	\$ 125.00	\$ 10,250.00	\$ 364.00	\$ 29,848.00
8	Rip-Rap Class B	100	TON	\$ 163.88	\$ 16,388.00	\$ 150.00	\$ 15,000.00	\$ 91.00	\$ 9,100.00
9	Geotextile for Erosion Control Under Rip-Rap	130	SY	\$ 5.14	\$ 668.20	\$ 10.00	\$ 1,300.00	\$ 2.00	\$ 260.00
10	Sodding	0.37	MSY	\$ 6,651.99	\$ 2,461.24	\$ 7,100.00	\$ 2,627.00	\$ 16,000.00	\$ 5,920.00
11	Silt Fence	234	LF	\$ 2.96	\$ 692.64	\$ 4.00	\$ 936.00	\$ 8.00	\$ 1,872.00
12	Replace/Repair Silt Fence	100	LF	\$ 6.74	\$ 674.00	\$ 4.00	\$ 400.00	\$ 7.00	\$ 700.00
13	Removal of Silt Retained by Silt Fence	234	LF	\$ 4.22	\$ 987.48	\$ 6.00	\$ 1,404.00	\$ 10.00	\$ 2,340.00
14	Misc. Erosion Control/Water Management	1	EA	\$ 813.90	\$ 813.90	\$ 2,000.00	\$ 2,000.00	\$ 2,750.00	\$ 2,750.00
Subtotal - 41st Avenue (South) Drainage Improvements					\$ 51,602.97		\$ 49,707.00		\$ 69,976.00
41st Avenue at Forest Trail Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 2,000.00	\$ 2,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 3,252.08	\$ 3,252.08	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0.08	AC	\$ 22,173.29	\$ 1,773.86	\$ 8,000.00	\$ 640.00	\$ 22,000.00	\$ 1,760.00
4	Removal & Disposal of Existing Pavement	225	SY	\$ 34.39	\$ 7,737.75	\$ 125.00	\$ 28,125.00	\$ 66.00	\$ 14,850.00
5	Removal of Existing Culvert 1' x 18"	40	LF	\$ 33.21	\$ 1,328.40	\$ 20.00	\$ 800.00	\$ 43.00	\$ 1,720.00
6	Hot Mix Asphalt Surface Course Type B	35	TON	\$ 285.08	\$ 9,977.80	\$ 285.00	\$ 9,975.00	\$ 180.00	\$ 6,300.00
7	42" RC Pipe (Class III)	80	LF	\$ 200.87	\$ 16,069.60	\$ 200.00	\$ 16,000.00	\$ 381.00	\$ 30,480.00
8	Rip-Rap Class B	120	TON	\$ 163.88	\$ 19,665.60	\$ 150.00	\$ 18,000.00	\$ 91.00	\$ 10,920.00
9	Geotextile for Erosion Control Under Rip-Rap	150	SY	\$ 5.14	\$ 771.00	\$ 10.00	\$ 1,500.00	\$ 2.00	\$ 300.00
10	Sodding	0	MSY	\$ 6,651.99	\$ 1,663.00	\$ 7,100.00	\$ 1,775.00	\$ 16,000.00	\$ 4,000.00
11	Silt Fence	173	LF	\$ 2.96	\$ 512.08	\$ 4.00	\$ 692.00	\$ 8.00	\$ 1,384.00
12	Replace/Repair Silt Fence	100	LF	\$ 6.74	\$ 674.00	\$ 4.00	\$ 400.00	\$ 7.00	\$ 700.00
13	Removal of Silt Retained by Silt Fence	173	LF	\$ 5.07	\$ 877.11	\$ 6.00	\$ 1,038.00	\$ 10.00	\$ 1,730.00
14	Utility Work Within Project Area	1	LS	\$ 22,173.29	\$ 22,173.29	\$ 170,000.00	\$ 170,000.00	\$ 203,050.00	\$ 203,050.00
15	Misc. Erosion Control/Water Management	1	EA	\$ 813.90	\$ 813.90	\$ 1,500.00	\$ 1,500.00	\$ 2,750.00	\$ 2,750.00
Subtotal - 41st Avenue at Forest Trail Drainage Improvements					\$ 90,773.89		\$ 253,945.00		\$ 286,004.00
41st Avenue (North) Drainage Improvements									
1	Traffic Control	1	LS	\$ 3,484.42	\$ 3,484.42	\$ 2,000.00	\$ 2,000.00	\$ 2,610.00	\$ 2,610.00
2	As-Built Construction Plans	1	LS	\$ 3,429.47	\$ 3,429.47	\$ 1,500.00	\$ 1,500.00	\$ 3,450.00	\$ 3,450.00
3	Clearing and Grubbing within Right-of-Way	0.10	AC	\$ 22,173.29	\$ 2,217.33	\$ 10,000.00	\$ 1,000.00	\$ 22,000.00	\$ 2,200.00
4	Removal & Disposal of Existing Pavement	62	SY	\$ 77.02	\$ 4,775.24	\$ 125.00	\$ 7,750.00	\$ 66.00	\$ 4,092.00
5	Removal of Existing Culvert 1' x 18"	40	LF	\$ 33.21	\$ 1,328.40	\$ 20.00	\$ 800.00	\$ 43.00	\$ 1,720.00
6	Hot Mix Asphalt Surface Course Type B	9	TON	\$ 665.20	\$ 5,986.80	\$ 285.00	\$ 2,565.00	\$ 324.00	\$ 2,916.00
7	42" RC Pipe (Class III)	81	LF	\$ 200.04	\$ 16,203.24	\$ 200.00	\$ 16,200.00	\$ 383.00	\$ 31,023.00
8	Rip-Rap Class B	150	TON	\$ 163.88	\$ 24,582.00	\$ 150.00	\$ 22,500.00	\$ 91.00	\$ 13,650.00
9	Geotextile for Erosion Control Under Rip-Rap	190	SY	\$ 5.14	\$ 976.60	\$ 10.00	\$ 1,900.00	\$ 2.00	\$ 380.00
10	Sodding	0.31	MSY	\$ 6,651.99	\$ 2,062.12	\$ 7,100.00	\$ 2,201.00	\$ 16,000.00	\$ 4,960.00
11	Silt Fence	173	LF	\$ 2.96	\$ 512.08	\$ 4.00	\$ 692.00	\$ 8.00	\$ 1,384.00
12	Replace/Repair Silt Fence	100	LF	\$ 6.74	\$ 674.00	\$ 4.00	\$ 400.00	\$ 7.00	\$ 700.00
13	Removal of Silt Retained by Silt Fence	173	LF	\$ 5.07	\$ 877.11	\$ 6.00	\$ 1,038.00	\$ 10.00	\$ 1,730.00
14	Misc. Erosion Control/Water Management	1	EA	\$ 813.90	\$ 813.90	\$ 2,000.00	\$ 2,000.00	\$ 2,750.00	\$ 2,750.00
Subtotal - 41st Avenue (North) Drainage Improvements					\$ 67,922.71		\$ 62,546.00		\$ 73,565.00
Base Bid Total					\$ 612,531.62		\$ 784,280.00		\$ 1,043,533.00

City of Isle of Palms

Small Drainage Projects: Sparrow Drive, Forest Trail, Cross Lane, 32nd Avenue and 41st Avenue

Actual & Anticipated Costs:

Thomas & Hutton - Bidding & Construction Admin	30,000
Gulfstream Construction Bid	612,532
15% Contingency	91,880
	734,411

Funds Available:

FY21 Budget	500,000
Potential Use of NPDES Funds held by Chs County*	234,411
	734,411

*NPDES Funds Available \$475,048
(~215K fund balance added per year)

OFFICIAL SEALED PROPOSAL OPENING
RFP 2020-04 Information Technology Support
Services
2:00 p.m., September 15, 2020
Council Chambers in City Hall
1207 Palm Boulevard, Isle of Palms, South Carolina

Present: Assistant City Administrator Hanna

Assistant Administrator Hanna announced the sealed bid opening of the RFP 2020-04 Information Technology Support Services. Assistant Administrator Hanna stated the Request for Proposal (RFP) was advertised in accordance with the City's Procurement Code.

Proposals:

1. The first proposal came from Technology Solutions Charleston and included the following:
 - Unlimited Windows Devices - \$3,550 per month
 - Email Hosting and Archiving - \$9.90 per user per month
 - Microsoft 365 apps – \$9.90 per user per month
 - Cloud Backup 5TB - \$550 per month
 - Project Rate - \$75 per hour
2. The second proposal came from DirectPointe 7, Inc. and included the following:
 - Help Desk Support and Server Management – \$7,999 per month
 - One Time Fees for Setup and Network Management - \$8,751.50
3. The third proposal came from Alltech Solutions and included the following:
 - System Administrators - \$120 per hour
 - Field Technicians - \$90 per hour
 - Desktop Technicians - \$90 per hour
 - After Hours, Holidays, Weekends - \$110 per hour
4. The fourth proposal came from NetCertPro and included the following:
 - Managed Workstation Platinum - \$99.00 per device
 - Managed Server Platinum - \$149 per device
 - Managed Network - \$199 per network
 - NetCertPro Managed Server Backups - \$100 per server
 - NetCertPro Managed Workstation Backups - \$20 per workstation
 - Managed Camera - \$50 per camera
 - Managed MS365 Mailboxes - \$2.00
 - Labor - \$90 per hour

5. The fifth proposal came from TCS Center, INC. and included the following:
Monthly Maintenance Contract - \$210.53 per user per month

Level 1 tech on site 3 days per week, Level 2 Tech is available at least by remote and when possible on site during monthly meetings - \$20,000 per month
6. The sixth proposal came from Cantey Tech Consulting and included the following:
Managed Services/Fixed Price Support - \$85 per unit per month
Staff Augmentation, One Systems Engineer for 24 hours for 52 weeks - \$6,760 per month
Virtual Information Security Officer - \$2,200 per month
Managed Database Services per Server - \$300 per month
Endpoint Security - \$9 per unit per month
7. The seventh proposal came from VC3 Inc. and included the following:
Service Advantage Support Seat - \$103 per unit per month
Server Support - \$197 per unit per month
Initial Setup and Network Assessment - \$11,157.16
8. The eighth proposal came from InterDev and included the following:
Full-Service IT Support - \$15,102 per month
Virtual Chief Information Officer - \$1,200 per month
Core Security Stack - \$4,300 per month
Onboarding - \$8,000

Assistant Administrator Hanna stated The proposal will be evaluated for accuracy and compliance with the specification as defined in the RFP. Assistant Administrator Hanna stated a contract will be executed in accordance with the instructions included in the RFP.



IT Proposal For:



City of Isle of Palms, SC

VC3 Response:
Request for Proposals (RFP 2020-04)
Information Technology Services
September 11, 2020



1301 Gervais Street, Suite 1800 | Columbia, SC 29201

800.787.1160 | info@VC3.com | www.VC3.com

Assess | Improve | Manage
Information Technology



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COVER LETTER

September 11, 2020

Response to: Request for Proposals, Information Technology Services

Desirée Fragoso, City Administrator
City of Isle of Palms, SC
1207 Palm Boulevard
Isle of Palms, SC 29451

Dear City of Isle of Palms:

VC3, Inc. respectfully submits the enclosed response for the Request for Proposals, Information Technology Services, for the City of Isle of Palms, SC. We certify that VC3 is authorized to operate contractually and sell within the State of South Carolina, and this response fully addresses all areas of the RFP.

As a company with over 26 years of IT experience and over 340 municipal government clients, VC3 is well positioned to ensure the solutions and services we provide will exceed your expectations. Our goal in every customer relationship is to be a valuable partner, helping you get greatest value from your IT dollars.

Our key contact for this proposal is:

Josh MacFarland, Account Executive
(727) 674-5607
Josh.MacFarland@vc3.com

VC3 appreciates the opportunity to submit this proposal. Should there be any questions or you need for additional information, please contact VC3 at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Sandy Reeser".

VC3, Inc.
Sandy Reeser, CEO
(803) 978-2700
Sandy.Reeser@vc3.com



PROJECT NARRATIVE

Company Information

- a. Full legal company name: VC3, Inc.
- b. Year business started: 1994
- c. Location of company headquarters: 1301 Gervais Street, Suite 1800, Columbia, SC 29201

VC3's five offices serve over 340 satisfied local government customers in more than 16 states. We have the breadth of experience and depth of talent to form a rewarding partnership with City of Isle of Palms and provide the information technology (IT) services outlined in this RFP.

Since VC3's beginning in 1994, we have intentionally focused on municipal government. The public sector is underserved and often overlooked by IT providers. We remedy this problem by developing long-term partnerships with municipalities seeking to unlock the full potential of outstanding IT. Our team creates reliable, secure, and powerful technology solutions with a customer experience that feels like we are right down the hall.

A dedication to excellent customer service is the key ingredient in our partnerships. Your local VC3 team will be led by a highly skilled Virtual Chief Information Officer (VCIO) who understands your goals, advocates for your organization, and provides IT guidance. Additionally, an Account Manager, Service Manager, and engineers will provide you with comprehensive IT service.

VC3 holds itself to a high standard of client satisfaction, incident response time, incidents resolution, and more. VC3 consistently exceeds the national industry averages as reported by Zen Desk.

- **Client Satisfaction:** VC3 averages 96% satisfaction compared to the industry average of 84%.
- **Incidents per Client Employee:** VC3 averages 0.5 per month per employee compared to the industry average of 3.9 per month per employee.
- **Incident Response Time:** VC3 averages 4 hours compared to the industry average of 24 hours.
- **Incident Resolution Time:** VC3 averages 5 hours compared to the industry average of 82 hours.



Relevant Experience and Qualifications

VC3's commitment to supporting local government includes long-standing relationships with the South Carolina, North Carolina, and Georgia City-County Managers; Municipal Association of South Carolina; the Tennessee Municipal League; Vermont League of Cities and Towns; New Hampshire Municipal Association; and the North Carolina League of Municipalities. The ongoing knowledge gained from these relationships and our long track record of successful local government service afford VC3 greater insight to understand your challenges and how we can best support your organization to achieve its goals.

Additional Business Information

General Business Information

- Incorporated in 1994
- State of Incorporation: Delaware
- Federal Tax ID: 57-0993240
- Dun & Bradstreet Number: 926120601
- NAICS Code: 541512 - Computer Systems Design Services

Minority Owned Business

No

Equal Opportunity Employer

VC3 provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, gender, pregnancy, national origin, age disability, status as a veteran, or any other protected status. VC3 complies with applicable federal, state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

E-Verify (Federal Program for Employment Verification)

VC3 has participated in E-Verify since June 2010. VC3's E-Verify Company ID Number is 336262.

Drug Free Workplace

VC3's Drug-Free Workplace policy prohibits the unlawful manufacture, distribution, dispensation, possession, or use of illegal drugs and alcohol on its property or as a part of any activities by employees



regardless of permanent or temporary status, pursuant to state and federal law. This policy is implemented in compliance with the South Carolina Drug-Free Workplace Act of 1990. All VC3 employees sign this agreement as a part of their new employee orientation.

VC3 Employee Background Checks

All VC3 employment offer letters are contingent upon completion of credit, criminal and Department of Motor Vehicle (DMV) background checks.

Use of Consultants or Sub-Contractors

This letter is to provide confirmation that VC3, Inc. does not use any consulting, subcontracting, or other outside services for any of the IT services VC3 provides. All work is completed by VC3's engineers and staff.

CJIS

VC3 has over 125 Engineers, Account Managers, Project Managers, and VCIOs that have completed the Criminal Justice Information System's (CJIS) Security and Awareness Training and are certified as completing the Level 4 CJIS Security Training. This training was completed under the 'Vendor' section on-line at <https://www.cjisonline.com/> and can be accessed by all agencies in order to review the list of certified employees and download their certificates. VC3 also maintains signed Federal Bureau of Investigation Criminal Justice Information Services Security Addendums for each approved employee. These individuals are approved to access networks that connect to the Federal Bureau of Investigation's (FBI) National Crime Information Center (NCIC) Systems, therefore meeting the requirements needed for local law enforcement audits.



Technical Certifications

Technical Certifications

To support VC3's broad technology experience in application development, website design, telephony, security, wireless networking, IT infrastructure architecture, and data center expertise, VC3 is committed to achieving industry recognized certifications and specializations.

Cisco Premier Partner:

- Advanced Collaboration Architecture Specialization

Dell Certified Partner:

- Enterprise Architecture

EVault Partner

VMware Enterprise Partner:

- VCP (Certified Professional)
- VSP (Sales Professional)
- VSTP (Sales Technical Professional)

Microsoft Cloud Solutions Provider

Microsoft Certifications:

- MCPD (Professional Developer)
- MCTS (Technology Specialist)
- MCITP (IT Professional)

Cisco Certifications:

- CCNP (Network Professional)
- CCSP (Security Professional)
- CCVP (Voice Professional)
- CCNA (Network Associate)
- CCDA (Design Associate)
- CSE (Cisco Sales Expert)

HP Certifications

- HP ATP-FlexNetwork Solutions V2

Citrix Silver Solution Advisor

- CCA for XenApp 6 and XenDesktop 5
- Citrix Certified Sales Professional
- CCSP for Application Networking
- CCSP for Application Delivery
- CCSP for Application Virtualization
- CCSP for Desktop Virtualization
- CCSP for Server Virtualization
- CCSP for Virtual Computing



Microsoft Partner
Gold Application Development



VC3 has been on the leading edge of Information Technology since 1994, providing a full range of IT services to both the private and public sectors across the southeast. As the well-established strategic partner for both the Municipal Association of South Carolina and the North Carolina League of Municipalities, VC3 can leverage its expertise to ensure your municipality utilizes technology to better serve your citizens.

Alabama ■ Florida ■ Georgia ■ North Carolina
South Carolina ■ Tennessee ■ Vermont ■ Virginia

800-787-1160
www.VC3.com



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Information Technology



VC3 is proud to partner with the following industry-leading technology companies:



Over 10 VC3 employees with VMware certifications.



Over 10 VC3 employees with Cisco certifications.



Over 10 VC3 employees with Citrix certifications.



Over 5 VC3 employees with Dell EMC certifications.

Microsoft Partner

Gold Application Development

Over 10 VC3 employees with Microsoft certifications.



AREAS OF EXPERTISE AND SCOPE OF WORK

VC3 can support the City of Isle of Palms in the following areas and intends to be considered in the following areas:

- Hardware and Software Procurement Recommendations
- Third Party Software Support
- Cybersecurity
- Help Desk and End User Administrative Services
- Desktop Support
- Resolution and Communication of Existing Issues
- Network Engineering and Administration
- Server and Database Management
- After Hours and Emergency Services
- As Needed and Preventative Maintenance
- Assessment of Existing Technology
- Communications (Desk Phones, Cellular Phones, Voicemail) Support

Initial IT Assessment and Onboarding

VC3 will work with the City of Isle of Palms' during the onboarding process to assess their current environment and make recommendations. These recommendations will focus on projects that will create a more stable, secure, and efficient IT environment for the City. These onboarding findings will also help build the City's IT Roadmap, which the VCIO will continue to focus on throughout the partnership with VC3.

Virtual Chief Information Officer (VCIO) Services

VC3 will provide the customer with a named 'VCIO' or Virtual Chief Information Officer.

- **Budgeting:** The VCIO will work with the customer to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
- **Strategic Planning:** The VCIO will recommend technology solutions as well as provide roadmaps that support key business processes in order to help the customer leverage technology appropriately. The VCIO will work with the customer as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the customer's technology investment.



- **Analyze IT Health Data:** The VCIO will perform a periodic analysis of the data collected by VC3's monitoring systems to proactively resolve issues and assess potential risks within the environment. The VCIO will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.

Hardware and Software Procurement Recommendations

VC3 will provide the customer with a named 'VCIO' or Virtual Chief Information Officer. The VCIO will act as the main point of contact between the City and VC3 and will be heavily involved in several areas.

- **Budgeting:** The VCIO will work with the customer to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
- **Strategic Planning:** The VCIO will recommend technology solutions as well as provide roadmaps that support key business processes in order to help the customer leverage technology appropriately. The VCIO will work with the customer as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the customer's technology investment.
- **Analysis of IT Health Data:** The VCIO will perform a periodic analysis of the data collected by VC3's monitoring systems to proactively resolve issues and assess potential risks within the environment. The VCIO will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.
- **Hardware and Software Recommendations:** The VCIO will provide support in developing specifications for new equipment, hardware, software, and assist in identifying appropriate hardware or software solutions, including preparing quotes for purchase.

Third Party Software Support

VC3 will provide record keeping and administration for maintenance and support contracts and license management for server and network-related software, including timely notification of pending contract and/or license renewals. Additionally, VC3 will help in the development and maintenance of administrative documentation for systems and applications.

Cybersecurity

VC3 uses several layers of System and Network security for all managed services clients including:

- Firewall and Firewall Management



- Webroot Anti-Virus
- Automate Patch Management
- Consistent and Reliable Backup Monitoring Software
- Monitored Security Notifications
- Industry Standard Password Policies
- Segmented Guest Wi-fi Network
- Spam Filtering for Incoming mail

VC3 provides 24x7x365 threat monitoring and analysis, threat detection, response, and remediation.

VC3 also has Virtual Chief Information Security Officers (vCISO) on staff to manage and administer our Advanced Security add-on packages, in addition to keeping our security standards in line with current best practices. Additionally, VC3 will provide input and advice on security best practices.

For an additional cost, VC3 can also provide a variety of advanced security add-ons including Office 365 Advanced Threat Protection, Intrusion Detection Services, Web Content Filtering, Dark Web Monitoring, advanced anti-spam, and monthly external security scans.

Help Desk and End User Administrative Services

VC3 will provide a 24x7x365 help desk for support, troubleshooting, and remediation for network issues, desktop hardware, software, and peripheral issues. Additionally, VC3 will provide a team of engineers that will handle any escalations from the help desk.

VC3's robust suite of always-on remote monitoring tools allow many issues that may arise to be resolved remotely. However, should the need arise, VC3 will provide on-site support by engineers as needed. Please see Addendum A, Service Desk Priorities on page 37 for more details.

VC3 engineers have completed the Criminal Justice Information System's (CJIS) Security and Awareness Training and are certified as completing the Level 4 CJIS Security Training. This training was completed under the 'Vendor' section on-line at <https://www.cjisonline.com/> and can be accessed by all agencies in order to review the list of certified employees and download their certificates. VC3 also maintains signed Federal Bureau of Investigation Criminal Justice Information Services Security Addendums for each approved employee. These individuals are approved to access networks that connect to the Federal Bureau of Investigation's (FBI) National Crime Information Center (NCIC) Systems, therefore meeting the requirements needed for local law enforcement audits.



Desktop Support

VC3 will provide a 24x7x365 help desk for support, troubleshooting, and remediation for network issues, desktop hardware, software, and peripheral issues. Additionally, VC3 will provide a team of engineers that will handle any escalations from the help desk.

Resolution and Communication of Existing Issues

VC3 will log all requests for assistance in our ticketing system and allow access for submittal online. The VCIO will provide regular reports on the data collected, including regular IT status reports.

Network Engineering and Administration

VC3 will provide a 24x7x365 comprehensive patch management for covered equipment, including OS patches, application patches, and installation of upgrades. Alert notifications will be sent to designated personnel in the event of failure.

VC3 will provide complete proactive monitoring of network equipment including bandwidth utilization, and other performance indicators, with reporting when specified thresholds are reached.

VC3 will ensure that scheduled preventive maintenance for equipment is properly and promptly performed; maintain the maintenance records on the equipment; perform regular maintenance for servers, PCs, switches, and other network equipment, including regular review of system logs to identify security and maintenance issues.

VC3 will provide assistance in maintaining continuous operations during a disaster recovery scenario.

VC3 will provide the City with operations, administrative, and quality assurance back-up plans and procedural documentation.

Server and Database Management

VC3 will provide backup services, database management services, and server administration for all servers operated by the City.

After Hours and Emergency Services

VC3 will provide 24x7x365 support, troubleshooting, and remediation for network issues, desktop hardware, software, and peripheral issues.



As Needed and Preventative Maintenance

VC3 will provide day to day operations for the maintenance of all information technology under the City's control.

Assessment of Existing Technology

VC3 will work with the City during the onboarding process to assess their current environment and make recommendations. These recommendations will focus on projects that will create a more stable, secure, and efficient IT environment for the City. These onboarding findings will also help build the City's IT Roadmap, which the VCIO will continue to focus on throughout the partnership with VC3.

Communications (Desk Phones, Cellular Phones, Voicemail) Support

VC3 will work with the City's communication vendors to prepare recommendations and provide management and coordination of the City's communications system.



SERVICE LEVEL AGREEMENT PROPOSAL

Monitoring of Network, Internet, Servers, and End User Workstations

For network, server, and workstation monitoring, VC3 uses ConnectWise Automate for its primary 24x7x365 Remote Monitoring and Management (RMM) tool.

ConnectWise Automate allows VC3 to monitor the health and performance of the entire network, as well as allowing VC3 to proactively stay on top of whitelisted updates and patches, perform maintenance tasks, and address performance issues before they become larger problems.

VC3 also leverages Automates monitoring services to provide an inventory of the equipment on the network, monitor and troubleshoot hundreds of services that run on the customer's infrastructure, perform scheduled system updates and install security patches, and remotely support the monitored IT systems and infrastructure.

For internet and network monitoring, VC3 utilizes PRTG and SmokePing. These are monitoring tools that periodically query your network equipment to alert us of any service fluctuations, internet outages, or hardware failures.

System and Network Security

VC3 uses several layers of System and Network security for all managed services clients including:

- Firewall and Firewall Management
- Webroot Anti-Virus
- Automate Patch Management
- Consistent and Reliable Backup Monitoring Software
- Monitored Security Notifications
- Industry Standard Password Policies
- Segmented Guest Wi-fi Network
- Spam Filtering for Incoming mail

For an additional cost, VC3 can also provide a variety of advanced security add-ons including Office 365 Advanced Threat Protection, Intrusion Detection Services, Web Content Filtering, Dark Web Monitoring, advanced anti-spam, and monthly external security scans.



VC3 also has Virtual Chief Information Security Officers (vCISO) on staff to manage and administer our Advanced Security add-on packages, in addition to keeping our security standards in line with current best practices.

Maintenance Procedures for Servers, Workstations, and Printers

VC3 provides 24x7x365 monitoring and alerting, Windows patching and updates, and remote and onsite remediation for all necessary server, hardware, software, and infrastructure related issues. VC3 ensures that scheduled preventive maintenance for all equipment is promptly performed and develops and tests back-up and disaster recovery plans with corresponding procedural documentation.

VC3 performs periodic health checks of all infrastructure systems to help ensure that our customers have little to no interruptions in service.

Help Desk and On-Site Support

One of the most fundamental components of VC3's support process is centered on identifying issues in a timely manner, properly triaging and prioritizing these issues, and then engaging the appropriate technical resource to quickly work the issue to resolution.

VC3 maintains a 24x7x365 service desk and on-site IT support is also available 24x7x365. However, if specific scheduling of on-site engineering support is required, scheduling is based on the problem severity and level of business disruption to the City's operations.

This includes support for desktops, laptops, network infrastructure, mobile devices, software installations, firmware updates, and more.

IT Issue Escalation

VC3's team of engineers are focused on efficiently supporting their end users with the help of their toolset and team-oriented workplace. VC3's First Call Resolution (FCR) team is staffed to handle the City's incoming requests with the use of our documentation platform and internal communication platform. They handle approximately 50% of the incoming tickets to create fast turnaround times for most incidents and requests. When a ticket requires an escalation, the FCR team transfers the ticket to a second-level engineer on the Regional Team. The regional team has a senior engineer for third level escalations as well as a Service Manager to oversee and assist with the escalation process. If the regional team needs to escalate, VC3 prides itself on its inter-team communication to tap into our broad depth of



knowledge. VC3 has project engineers, systems architects, network engineers, and even database and software developers ready to help if needed.

Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. VC3 utilizes the following priorities, criteria, and response metrics:

A. **Priority 1:**

- System/device/service down causing work to cease and critical impact to the organization or a whole department; no work around available; customer is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

B. **Priority 2:**

- System/device/service down causing work to cease and potential business impact for an individual user; no work around available.
- Level of service degraded causing impact to the organization or a whole department; no work around available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

C. **Priority 3:**

- Level of service degraded causing impact to an individual user; no work around available.
- Operational impact to the organization or a whole department though work continues as a result of implementing a work around or use of other system/device/service.
- A request to enable or configure a system/device/service within 2 business days.
- Incidents related to Backup system failures.
- **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

D. **Priority 4:**

- Operational impact to the organization, department or user exists though work continues as a result of implementing a work around or use of another system/device/service.
- A request to enable or configure a system/device/service within 5 business days.
- **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

E. **Priority 5:**

- Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
- Requests that have longer led times to implement than is possible within 5 business days.



- **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

Call Priority	Initial Customer Contact Guidelines	Initial Customer Contact Percentages
1	30 Min	95%
2	60 Min	95%
3	4 business hours	95%
4	8 business hours	95%
5	8 Business Hours	95%

Maintenance Windows

All work performed within VC3's Hosting Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on VC3's Hosting Infrastructure by VC3 engineers or staff is defined as "Scheduled Maintenance".

During Scheduled Maintenance, some or all of VC3's Hosting Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the VC3 Service Desk ten business days in advance.
 - a. **Notification:** If VC3 decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of VC3's Hosting Infrastructure within the control of VC3 is defined as "Emergency Maintenance".

Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.
 - a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.
3. The VC3 Hosting Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.

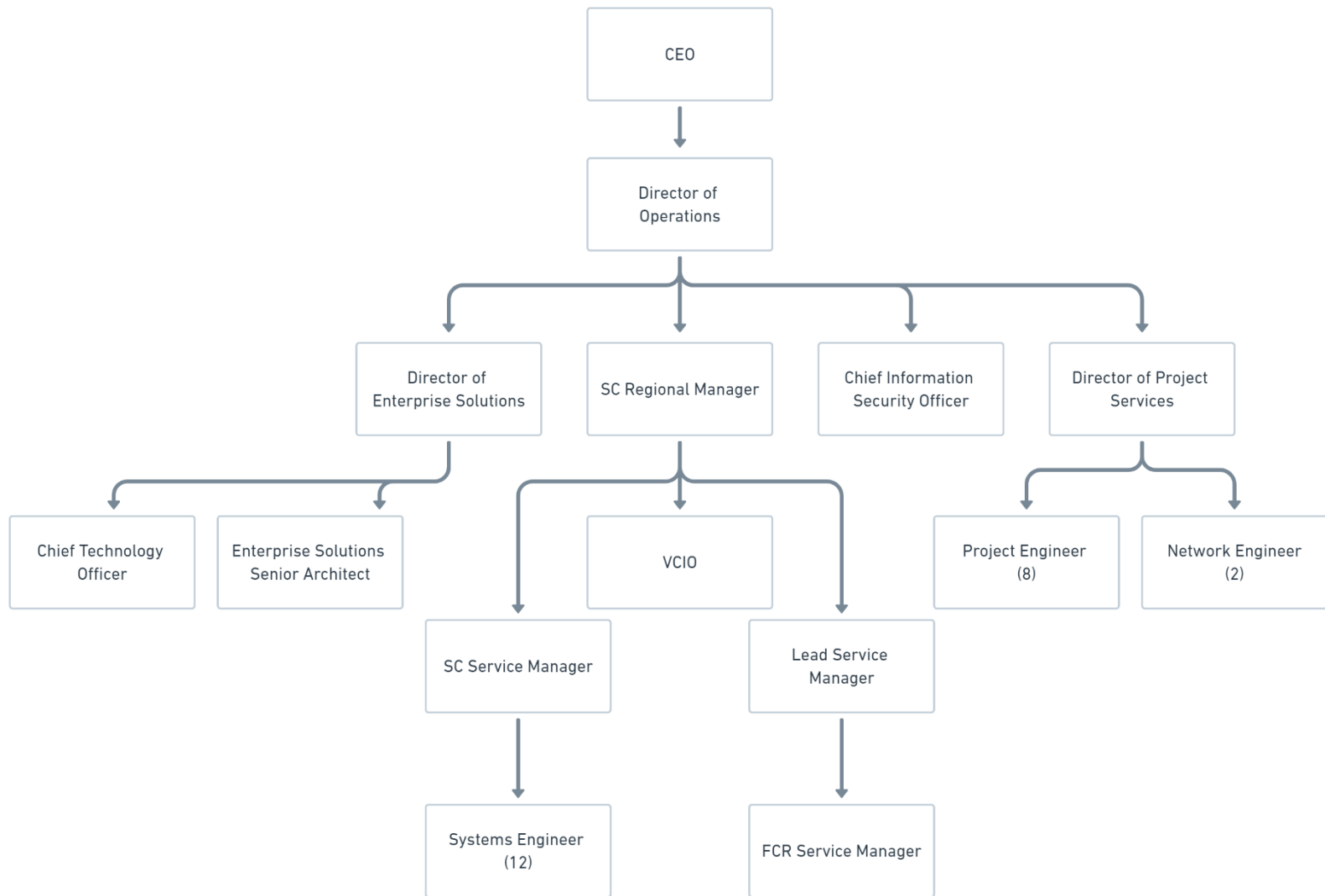


Indemnification Clause

VC3's Master Services Agreement (MSA) covers at a high level the manner in which any disputes would be resolved as well as our standard indemnification language. VC3 is happy to discuss changes to our MSA language and we are confident that we can come to terms that are mutually agreeable to both parties as we have done so with over 350 other cities and towns in South Carolina and throughout the country. Relative to future updates of the agreement, we always view our relationship with clients as a partnership and as such we are always open to discussing changes to our agreement that may be necessary to meet the changing needs of the City.



TEAM COMPOSITION AND STRUCTURE





RESUMES

VC3 Team Member Resumes - Confidential

The information contained in this section is confidential and should only be used by current or potential VC3 customers for the purposes intended. VC3 respects the privacy of our employees and does not authorize this information to be shared with any third party, copied, or reproduced in any way.

SC Regional Manager – Will VanDuzer

Will VanDuzer has been a key member of the VC3 services team for over 15 years. He has been certificated in Microsoft Windows, SQL and is a VMWare VCP-DCV.

He has numerous years of experience managing IT teams for VC3 and has worked hand in hand with every department within the organization. This experience has helped to build internal relationships and drive productivity within the region. His tenure as an engineer and service manager have helped forge a strong foundation for making technical and strategic decisions for VC3's customers.

As South Carolina's Regional Manager, Will oversees the South Carolina team of Virtual Chief Information Officers, Service Managers, and Account Managers. He helps standardize processes and procedures followed by the region. He also works alongside the VCIOs to help build a strategic roadmap that enables our team to provide effective, strategic, and forward-thinking IT strategies for our customers.

Will attended the University of South Carolina and has a bachelor's in Computer Science. He has a certificate in Business Analytics from Cornell University.

Virtual Chief Information Officer – Chris Edwards

Chris has been working in the IT industry for over 20 years where he has served in various roles, ranging from technician and analyst roles to management. He has overseen large scale integration and upgrade projects and managed all aspects of IT for several companies in the manufacturing sector.

In early 2020, Chris joined VC3 as a Virtual Chief Information Officer. At the start of 2019, Mark moved into the VCIO role at VC3. In this role, Chris reviews and evaluates emerging technologies for practical application, works with municipal clients to develop and monitor metrics to measure performance and availability, and designs and implements necessary improvements. He also ensures compliance with regulatory requirements, best practices and the clients' policies and procedures.



Chris is a veteran of the US Army and served with the Airborne Infantry at Fort Bragg.

Certifications:

- Information Technology Infrastructure Library
- AMA, Certified Professionals in Management
- Cisco Certified Network Professional
- Microsoft Certified SE
- Microsoft Certified Professional
- Network+
- A+

Account Manager – Raynay Irkhin

Raynay's role as the Account Manager for SC relationships is to serve as the customer advocate. She brings with her ten years of experience in customer relationship management, customer support, and service delivery.

Raynay participates in the management of customer accounts serving as the first point of contact for any account issues including billing, project work, training, or new opportunities. Raynay is the liaison for all customer projects, and remains the point of contact for customer needs including serving as an escalation point, monitoring help desk tickets, approving invoicing, etc. throughout the life of the contract.

Raynay is also integral in customer communications, resource scheduling, vendor management, purchasing coordination, performance-to-contract reporting, and various other team and customer support functions.

Chief Information Security Officer – Joe Howland

Joe has been in the IT industry for over 20 years and has extensive IT management experience that spans multiple industries. A UCLA grad with a degree in Mathematics Computation with a Computer Specialization, he worked with Computer Sciences Corporation for 10 years supporting defense and financial sector contracts.

Joe joined VC3 in 2009 and during his time with VC3, Joe has performed in the role of Virtual CIO for some of VC3's largest government customers. Joe is currently the Chief Information Security Officer and is responsible for the security maintenance and growth of VC3's data centers.

Director of Project Services – Amy McKeown



Amy began her employment with VC3 in 2004 as an Account Manager and has since transitioned into the role of Director of Service Delivery, where she oversees all projects for every VC3 customer. She is dedicated to discovering proficient ways to complete tasks. Not only is Amy behind the scenes planning and structuring every detail of a project, but she also participates in onsite deployments, providing excellent customer service and ensuring that projects are completed smoothly and efficiently. She brings over 20 years of experience in customer relationship and project management, sales support, marketing, and sales management.

Amy received her Bachelor of Arts in Studio Art from the University of South Carolina and earned the Project Management Professional (PMP) certification. As the Director of Service Delivery for VC3, Amy is constantly working on multiple projects and managing her team throughout the process. Through these hands-on experiences Amy is proficient in time management and is highly knowledgeable about the time and resources necessary to ensure all projects are completed at an above satisfactory level. She assists in training sessions for both pilot testers and end users and works closely with the customer and the project team throughout the “Go Live” portion of projects.

Through Amy’s extensive experience, she can implement the customer’s technological visions to make them a structured reality. Tuned in to all aspects of the industry, she effectively produces the desired output, while keeping the customer looped in every step of the way.

The VC3 Project Management team utilizes the guidelines set forth by the Project Management Body of Knowledge (PMBOK®) best practices, which is an internationally recognized standard. PMBOK® provides the fundamentals of project management as they apply to a wide range of projects. By following these guidelines (Initiating, Planning, Executing, Monitoring & Controlling, and Closing), Amy and her Project Team can successfully accomplish project objectives and ensure customer satisfaction by delivering a quality solution.

Senior Project Engineer – Steven McQuithy

Steven joined the VC3 Team in 2009 as an intern with our Help Desk Team. As Steven gained experience, he transitioned on to our South Carolina Team to offer higher-level technical support to our customers. Prior to his current role as a senior project engineer, Steven held several roles with our Georgia office, including VCIO and Service Manager. Steven was, and still is, focused on providing our customers with outstanding customer service while quickly resolving issues.

Steven is graduate of the University of South Carolina with a Bachelor of Science in Integrated IT.



Technical Specializations:

- VMware
- PRTG Monitor
- Datto Backups
- Active Directory Administration
- Windows Server

Certifications:

- Citrix Certified Administrator
- MCITP: Enterprise Administrator
- MCTS: SQL Server Administrator

Senior Systems Engineer – Devin McCubbins

Devin joined VC3 in 2010 and has over eight years of IT support experience. Devin's goal is to bring technical solutions to the people he encounters in a way that is productive, and efficient for the end user. As part of the Project Team, he is responsible for deploying and migrating VOA Environments, and resolving escalated issues in the VOA Environment.

Technical Specializations:

- VMWare ESXi
- Citrix XenApp 6, 6.5 and 7.6
- Citrix XenDesktop
- OPsView
- Active Directory Administration
- Windows Server (2003, 2008 and 2012)
- Ubuntu Linux
- Microsoft Exchange (2003, 2010)
- Cisco Networking Equipment including ASA's, Router and Switches

Certifications:

- Citrix Certified Administrator

Director of Enterprise Solutions – David Crow

David joined VC3 in 1998, beginning his career as a Systems Engineer. Starting just four years after VC3 was founded, he has continued to grow his skill set and has become an invaluable senior resource. David



is the Architect of the Voice Advantage product and specializes in IP telephony. He also has senior level experience with routing and switching, and wireless technologies.

Technical Specializations:

- Cisco Certified Voice Professional
- Cisco Certified Network Associate – Voice
- Collaboration Support Specialist – Advanced Collaboration Architecture
- Cisco Unified Communications on Unified Computing Systems Specialist
- Secure network, firewall, and VPN implementation
- Cisco networking equipment including routers and switches
- Voice Advantage architecture, management, and support
- Cisco Unified Communications Manager architecture, management, and support
- Cisco Unity and Unity Connections
- Voice Gateways using SIP MGCP and H.323.
- Microsoft Windows Server Administration including DNS and DHCP administration
- Microsoft Active Directory configuration and administration
- Unix/Linux server administration

Chief Technology Officer – David Donovan

David Donovan joined the VC3 team in 2000. With over 25 years of experience in the industry, his work has covered a vast array of IT environments such as 7x24 management and monitoring of complex server, network, and software deployments involving: Symmetrical Multi-Processing and Massively Parallel Processing servers; UNIX and Microsoft based High Availability Clustering solutions. He possesses excellent technological skills with an in-depth understanding of: LAN and WAN internetworking design and implementation; UNIX and Windows Operating System architecture; application and RDBMS architecture.

He is Cisco and Extreme Networks certified with specializations in IP Telephony Operations and Wireless Support. Specific deployments include the planning and implementation of multiple, successive rollouts of pre-release versions of operating system software into a live production environment and complete design and upgrade of a 1,000-node networking environment to a high speed, high availability LAN with gigabit interconnect. David has been a VMware Certified Professional for over seven years designing and deploying VMware Infrastructure environments.



David is currently VC3's Chief Technology Officer, providing top notch insight on all aspects of the industry. He provides technical guidance, planning support, pre-sales engineering, and escalation support.

Technical Specializations:

- Email System Deployment and Administration
- General Windows Server Deployment and Administration
- Storage System Deployment and Administration
- VMware Deployment and Administration
- Project Oversight – Technical

Enterprise Solutions Senior Architect – Ryan Gallier

Ryan Gallier is a Senior Engineer for VC3's Enterprise Solutions Division. He received his bachelor's degree in Finance from Coastal Carolina University and has been a Cisco Certified Network Professional since 2007. Before joining VC3, Ryan worked as a Network Analyst and a Systems Analyst.

Ryan currently has his CCNA and CCNP certifications. He has passed the written portion for the CCIE in Routing & Switching and has over 15 years of experience in the field of IT. Most recently, Ryan obtained the highest Citrix certificate, the Citrix Certified Integration Architect. He has extensive knowledge in many technology areas including: Routing and Switching, Windows Server, Active Directory design, implementation, VMware, Linux, and troubleshooting Citrix XenApp and XenDesktop.

Technical Specializations:

- Routing and Switching
- Citrix XenApp and XenDesktop
- Windows Server
- Active Directory
- VMware

Lead Service Manager – David Smith

David has been a member of the VC3 team since Dec 2019. He has multiple Microsoft certifications and training in almost all of Microsoft's extensive software list. He has training in VMWare, Linux, and Hyper-V. He also has a CNA with Pine Mountain group (NetQos) and a Six Sigma Green Belt. He has 20+ years of mixed management and senior engineering experience in an enterprise environment.



The leadership skillset matched with the years of engineering experience allow him to provide effective and strategic decisions for his service team which provides impeccable service to its VC3 clients. He works in coordination with other SC service managers and service managers from NC, GA, and TN.

David attended Florida State University and Midlands Technical College.

FCR Service Manager – Matthew Haley

Matthew joined the VC3 team in 2019 as a Systems Engineer with our Help Desk and quickly moved to the role of FCR Manager in 2020. His technical ability paired with his unmatched customer service allowed him to quickly advance to the role as FCR managed in less than a year.

Matthew came to VC3 after spending 10 years as an ER and trauma nurse and he holds an Associate of Applied Science in Nursing. In his role as FCR Manager, Matthew oversees VC3's team of System Engineers, ensuring that all client support requests that come into the help desk are worked quickly, correctly, and to client satisfaction.

Certifications:

- Comptia A+ & Comptia Network+

South Carolina Service Manager – Harvey Ackerman

Harvey joined VC3 in 2018 as a Service Engineer. He previously served as a Network Manager for over 20 years with a private college in Columbia, SC. In November 2019, Harvey moved into the Service Manager role. In his role as the South Carolina Service Manager, Harvey oversees a team of 12 Systems Engineers that provide technical support to South Carolina clients. Harvey attended the University of South Carolina.

Technical Skills:

- Microsoft Server 2003-2016
- Microsoft Active Directory
- Microsoft Hyper-V
- Microsoft Windows OS
- Microsoft SCCM
- Microsoft Office 365 administration
- Microsoft Powershell
- Windows Server Installation and Troubleshooting



Senior Systems Engineer – Paul Bailey

Paul joined the VC3 team in 2015 as a Systems Engineer with our Help Desk. Paul came to us with over 8 years of experience. Paul's technical ability paired with his unmatched customer service allowed him to quickly advance and join our South Carolina Team. On this team, Paul provides our customers with solutions to their higher priority issues. Paul earned his Bachelor of Science in Technology Supported Training Management from the University of South Carolina.

Technical Specializations:

- Office 365 Administration
- Microsoft Server (2003, 2008, and 2012)
- Active Directory Configuration and Administration
- MCTS: Windows 7 Configuration.
- VMware ESXi

Certification:

- HDI SCA Help Desk Institute – Support Center Analyst

Systems Engineer – Kyle McMahan

Kyle started his IT career at VC3 3 years ago as an intern with a B.S. in Information Technology. He quickly moved up to the SC Team as a full time Systems Engineer II with a primary focus in networking.

Certifications:

- CCNA (Cisco Certified Network Engineer) Routing and Switching;
- Security+
- Network+

Technical Skills:

- Configure and deploy firewalls, routers, switches, access points and 4G-failover devices of multiple platforms such as Cisco, Juniper, HP/Aruba, Dell SonicWall, Ubiquiti, and Fortinet.
- Extensive knowledge and experience with Cisco IOS and JunOS.
- Configuration and troubleshooting of ACLs, NAT/PAT, DHCP, DNS, OSPF, EIGRP, RIP, SNMP, SNMP, VPNs, NTP.
- L2/L3 switching, work with VLANs, STP, LACP, PAGP, CDP, LLDP, VTP, and SPAN.
- Experience with Cisco ASA platform, both pre and post 9.X code, along with ASDM.
- Strong knowledge of the OSI model and TCP/IP networking.



- Experience with Cisco Unified Communications Manager, Cisco Unity Connection, and Call Manager Express configuration.
- Troubleshooting via Command-line interface and PowerShell.
- Administration of Windows Server 2003, 2008, and 2012 Operating Systems and server roles.
- Knowledge of Windows Registry, Firewall, and configuration of RDP.
- Configuring and administering Windows 7, 8, and 10 Operating Systems.
- Experience with virtual platforms such as VMWare and Hyper-V.
- Experience with Exchange Server 2007, 2010, and Exchange Management Console.
- Experience with programs such as Wireshark, TFTP32, Nmap and Nessus for troubleshooting and labs.

Systems Engineer – Eric Nieto

Eric joined VC3 in 2017 and has over 15 years of experience in various IT roles. In his last role, Eric held the title of Senior Network Field Engineer with a Healthcare IT solutions company.

Certifications:

- MCSA - Microsoft Certified Systems Administrator & MCTS - Microsoft Certified Technology Specialist
- MCP - Server and Workstation & Dell DCSE
- Compia A+ & Compia Network+

Technical Skills:

- Operating Systems – Windows Server and Desktop, UNIX/AIX, Novell, DOS, MAC, Android
- Server Roles - Active Directory, FSMO roles, Group Policies, Security Policies, NTFS shares, DNS, DHCP, Terminal Server, SGMS, ACL's, AO's, Exchange, Citrix, SQL, Enterprise Faxing, Enterprise Antivirus, Enterprise Backup, VMware, RDP.
- Hardware – Servers, Desktops, Laptops, Terminals, Routers, Switches, SANS, Firewalls, Printers, Monitors, Scanners, Tape Drives, Optical Drives, SCSI, RAID, DRAC, UPS, MAC's, Serial, phone systems.
- Networking - WAN/LAN, Ethernet, Wireless, Coaxial, Fiber, Serial networks, Infrared.
- Applications – Network Security programs, Disaster recovery, Exchange, Citrix, Microsoft Office, SQL, I.I.S., VMware/RDP/Citrix, Enterprise Antivirus, Imaging and Enterprise Backup



REFERENCES

Town of James Island, SC



VC3 provides managed IT support, managed security, and VCIO (Virtual CIO) services to the Town of James Island, SC. This support includes 18 workstations as well as their networking infrastructure.

Services include the following:

- Office365 OneDrive/SharePoint support
- Application Management
- Desktop Support and Administration
- Onsite and Remote Support
- Security + Dark Web Monitoring + Cisco Umbrella + Managed Firewall
- VCIO and VCISO Services
- Project Management and Project Services

VC3 has supported the Town of James Island, SC for over 5 years.

Contact:

- Ashley Kellahan, City Administrator; 843-795-4141; akellahan@jamesislandsc.us

Team Members:

- Dustin Tucker (VCIO)
- Joe Howland (VCISO)
- Raynay Irkhin (AM)

Town of Edisto Beach, SC



VC3 provides managed IT support and VCIO (Virtual CIO) services to the Town of Edisto Beach, SC. This support includes 3 servers and 22 workstations as well as their networking infrastructure. Services include the following:

- Server and Network Administration and Monitoring
- Disaster Recovery
- Application Management
- Desktop Support and Administration
- Onsite and Remote Support
- Security
- Planning and Reports
- VCIO Services
- Project Management and Project Services
- Voice Advantage – VoIP Phone System

VC3 has supported the Town of Edisto Beach, SC for over 11 years.

Contact:

- Mark Aakhus, Administrative Manager; 843-869-2505 x212; Maakhus@townofedistobeach.com

Team Members:

- Clark Cooper (VCIO)
- Raynay Irkhin (AM)



City of Hartsville, SC



VC3 provides managed IT support and VCIO (Virtual CIO) services for City of Hartsville, SC. This support includes 6 servers and 94 workstations as well as their networking infrastructure. Services include the following:

- Server and Network Administration and Monitoring
- Disaster Recovery
- Desktop Support and Administration
- Onsite and Remote Support
- Security + (IPS/IDS)
- Planning and Reports
- VCIO Services
- Technology Consulting
- Project Management and Project Services

VC3 has supported City of Hartsville, SC for over 5 years.

Contact:

- Rebecca Ward, HR Manager; 843.383.3026; Rebecca.ward@hartsvillesc.gov

Team Members:

- Dustin Tucker (VCIO)
- Raynay Irkhin (AM)

Newberry County, SC



VC3 provides managed IT support and provides VCIO (Virtual CIO) services to the County of Newberry, SC. This support includes 13 servers and 85 workstations as well as their networking infrastructure.

Services include the following:

- Server and Network Administration and Monitoring
- Disaster Recovery
- Application Management
- Desktop Support and Administration
- Onsite and Remote Support
- Security + (IPS/IDS)
- Planning and Reports
- VCIO Services
- VOIP Solution and Support
- Project Management and Project Services
- Office 365
- Website Partnership Plan
- Hosted Backups

VC3 has supported the County of Newberry, SC for over 3 years.

Contact:

- Ervin West, Facilities Manager; 803.924.7097; ewest@newberrycounty.net

Team Members:

- Dustin Tucker (VCIO)
- Raynay Irkhin (AM)



FEE PROPOSAL

Summary of Scope of Services & Fees

VC3 will provide the following services listed in Tables A and B. Recurring services, if included, shall be provided for 60 Months, starting from the date of the first recurring invoice. Pricing is valid for 30 days from the date of this proposal.

Table A: Services & Fees

Description	Units	Unit Price	Monthly Fee	One-Time Fee	Annual Fee
Service Advantage Support Seat	93.00	\$103.00	\$9,579.00	\$0.00	\$0.00
Server(s) <i>Physical or virtual server that is running a server operating system.</i>	8.00	\$197.27	\$1,578.16	\$0.00	\$0.00
Total Services Monthly:		\$11,157.16			

Table B: Summary of Fees

One-Time Fees	Monthly Fees	Annual Fees
\$11,157.16	\$11,157.16	\$0.00

Based on information gathered by VC3, we feel that 93 units may be higher than what is in place at the City of Isle of Palms, SC. The number of units listed above may be adjusted once exact counts are determined during onboarding.

On occasion, VC3 has formulated creative solutions to help our clients through the difficulties of COVID-19. Should you decide that VC3 is the ideal partner for your IT needs but are faced with budgeting challenges, there are two options.

- Option 1: One-time fees can be deferred to Year 2.
- Option 2: Monthly recurring cost can be “stair-stepped” over a period of time.



DELIVERABLES & SERVICES

Service Advantage

VC3 will supply the necessary qualified resources to manage the IT Services of the client as defined below.

Included Devices: 'Included Devices' will be defined as applicable devices associated with the unit quantities stated in Tables A.

VC3 will provide the following functions and services as part of this Work Order:

A. 24x7 Monitoring and Incident Response Services:

1. Provide 24X7 Incident response services for all included devices.
2. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.
3. Provide 24x7 collection of performance data for the client's included server and network devices per VC3's best practices.
4. Provide 24X7 response to critical event driven Incidents.
5. Utilize industry best practices for remote access, control and management of all devices.
6. VC3 First Call Resolution Center (FCR) is staffed from 7:00am to 6:00pm Monday through Friday.

B. Application Support:

1. Provide support client licensed 3rd party applications. If it is determined from the initial discovery and/or from third-party application vendors that an application requires additional servers, licensing or support resources, additional monthly costs may be required before the application can be supported.

C. Proactive Services:

1. **Backup Management:** Provide, monitor, and maintain backups for included devices. VC3 will minimally maintain two weeks of daily backups (Monday-Friday).
2. **Patch Management:** Perform maintenance activities on included devices such as the application of vendor provided software and firmware updates.
3. **Antivirus and Support Tools:** Deploy VC3 Remote Support and Anti-Virus agents to all applicable included devices.



4. **Anti-Spam:** Provide Spam filtering for all inbound mail.

D. VCIO Services:

VC3 will provide the client with a named 'VCIO' or Virtual Chief Information Officer.

1. **Budgeting:** The VCIO will work with the client to develop an annual technology budget for recurring expense items and new capital requirements in alignment with organizational goals.
2. **Strategic Planning:** The VCIO will recommend technology solutions as well as provide roadmaps that support key business processes in order to help the client leverage technology appropriately. The VCIO will work with the client as part of the annual planning process to understand the current business drivers and goals and make recommendations targeted toward maximizing the effectiveness of the client's technology investment.
3. **Analyze IT Health data:** The VCIO will perform a periodic analysis of the data collected by VC3's monitoring systems to proactively resolve issues and assess potential risks within the environment. The VCIO will make this analysis available to key stakeholders and provide direction on business decisions regarding the level of investment.



INSURANCE INDEMNIFICATION

VC3 agrees to and accepts the City's insurance requirements.



ADDENDUM A – SERVICE DESK PRIORITIES

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. VC3 utilizes the following priorities, criteria, and response metrics:

A. Priority 1:

- System/device/service down causing work to cease and critical impact to the organization or a whole department; no workaround available; Customer is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

B. Priority 2:

- System/device/service down causing work to cease and potential business impact for an individual user; no workaround available.
- Level of service degraded causing impact to the organization or a whole department; no workaround available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

C. Priority 3:

- Level of service degraded causing impact to an individual user; no work around available.
- Operational impact to the organization or a whole department though work continues as a result of implementing a workaround or use of other system/device/service.
- A request to enable or configure a system/device/service within 2 business days.
- Incidents related to Backup system failures.
- **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

D. Priority 4:

- Operational impact to the organization, department or user exists though work continues as a result of implementing a workaround or use of another system/device/service.
- A request to enable or configure a system/device/service within 5 business days.
- **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

E. Priority 5:

- Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
- Requests that have longer lead times to implement than possible within 5 business days.
- **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.



Call Priority	Initial Customer Contact Guidelines	Initial Customer Contact Percentages
1	30 Min	95%
2	60 Min	95%
3	4 business hours	95%
4	8 business hours	95%
5	8 Business Hours	95%



ADDENDUM B – MAINTENANCE WINDOWS

All work performed within VC3's Hosting Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

4. **Scheduled Maintenance:** All planned work performed on VC3's Hosting Infrastructure by VC3 engineers or staff is defined as "Scheduled Maintenance".

During Scheduled Maintenance, some or all of VC3's Hosting Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the VC3 Service Desk ten business days in advance.

- a. **Notification:** If VC3 decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.

5. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of VC3's Hosting Infrastructure within the control of VC3 is defined as "Emergency Maintenance".

Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.

- a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.

6. The VC3 Hosting Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.



ADDENDUM C – HOURLY RATES

Service Area	Hourly Bill Rate	Description of Service Area
Consulting & Project Management	\$ 158.00	Consulting (Design, Architecture, Planning); Technology Assessments; Security Audits. Project Management. CIO Consulting Services including product evaluations and application/infrastructure planning services.
Application Development	\$ 152.00	Application Software development, design, testing, and code revisions. Systems Programming (System Level Scripting/Automation). All SharePoint services.
Web Design Services	\$ 142.00	Web site design and implementation services which are NOT built on a Microsoft SharePoint platform.
Infrastructure Deployment Services	\$ 142.00	Installation and Setup of the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Citrix, Network Domains and Desktop Deployments.
Infrastructure Maintenance Services	\$ 135.00	Maintenance Services for the following: Networks, Electronic Messaging Systems, Servers, SANs, VMWare, Domains, Microsoft Server, and Desktop support.
Travel Time	\$ 95.00	Travel time to and from the Customer. This rate includes the mileage expense at the current IRS approved mileage rate.
After Hours Support Services	\$ 174.00	All reactive support services provided to Customer outside of the hours of 8am to 5pm Monday through Friday and all services provided on National Holidays
Note: Rates will automatically increase on an annual basis equivalent to the CPI change for All Urban Consumers. Annual rate increases will become effective on the first of the month following the release of data for the prior calendar year.		



Public Safety Committee
9:00am, Monday, November 9, 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 Buckhannon, Ward, and Pounds

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Chief Cornett, Chief Graham, Chief Hathaway

2. Approval of previous meeting's minutes – October 5, 2020

Council Pounds made a motion to approve, and Council Member Buckhannon seconded the motion. The minutes passed unanimously.

3. Citizens' Comments

The City Clerk read into the record a comment submitted to the Public Safety Committee. They can be found on the City's website alongside the agenda for this meeting.

4. Old Business

A. Update on Public Safety Building Rehabilitation Project

Administrator Fragoso reported that the Public Safety team is working inside the building. Trailers are in the process of being removed from the parking lot. In addition, she shared, "The bi-fold doors for the Fire Department bay were delivered last week, and one of them has been installed. They are working on the installation of the other three. The portico framing is in the process. The fire-treated plywood installation started last week and will be followed by some waterproofing." The generator is expected to arrive today and the work on the roof will be completed upon its installation. Some work, such as the flood proof doors, will be completed later this year or early next year.

B. Update of pedestrian crosswalks and intersection safety

Administrator Fragoso said the City is working with SCDOT on the installation of new crosswalks at 49th, 51st, east of 53rd, and 56th avenues. SCDOT has approved the request conceptually. In addition to applying for encroachment permits at these intersections, the City will be requesting a modification of the crosswalk at 46th Avenue to raise it up.

She expressed her thanks to Wild Dunes for their willingness to partner with the City on the costs related to the construction of these crosswalks.

Chief Cornett said he spoke with SCDOT about the installation of the flashing beacons at crosswalks. The Secretary of DOT said they have received numerous complaints from people claiming the flashlights are too bright. A video has been sent to Committee members showing the lights, but Chief Cornett said he will visit neighboring communities to video the lights himself. He said that if they are found to be too bright for residential areas that perhaps one could be installed in the area of 21st Avenue.

C. Update on Front Beach Loading zones and parking

Chief Cornett said the only potential spots available for this initiative would be the parking loading zones at the hotel. He expressed concern that using those may cause a traffic backup. He said that if the Committee decided to move forward with repainting the areas, he has received a quote from someone who could do it for \$3,000 as long as it could be done in 2020. As this is an unbudgeted expense, Administrator Fragoso said that she would look for a place to fund this project by the Ways & Means meeting.

MOTION: Council Member Buckhannon made a motion to approve this idea and move it forward to City Council for approval. Council Member Pounds seconded the motion. The motion passed unanimously.

D. Consideration of replacing the 2003 Engine 1002 Pumper Truck by purchasing demo truck in the amount of \$525,000 in FY21 instead of refurbishing existing truck at \$325,000

Chief Hathaway detailed the request to purchase a demo truck. Rather than spend the \$300,000 budget to refurbish Engine 1002 (that was appraised at only \$12,000), staff recommends trading in the 2004 75' ladder truck (appraised at \$51,000) as down payment for the new pumper truck. The purchase of the pumper truck includes a \$10,000 contingency fund and travel costs for the final inspection. Modifications to the truck can be done while the truck is being made.

Administrator Fragoso said, "We are proposing that the City issue a letter of intent to the manufacturer telling them that we intend to purchase this demo truck. We would be rolling over the current \$300,000 that we have in this year's budget. We would be re-budgeting it for next year in FY22 and increase that number to \$530,000 to cover the cost of purchasing a new demo truck."

Chief Graham said the truck would not be ready until May 2022, and payment would not need to be made until July 2022. The new truck comes with a full warranty. The City has had previous good experiences with buying demo trucks.

MOTION: Council Member Pounds made a motion to replace the 2003 Engine 1002 Pumper Truck by purchasing demo truck in the amount of \$525,000 in FY21 instead of refurbishing existing truck at \$325,000. Council Member Buckhannon seconded the motion. The motion passed unanimously.

5. **New Business**

A. **Discussion and consideration of proposed Resolution 2020-04 authorizing consumption of beer and wine only and amplified music at “The Holiday Street Festival & Movies on December 5, 2020**

Administrator Fragoso said the Recreation Department staff is working on a holiday street festival following COVID-19 guidelines.

MOTION: Council Member Pounds made a motion to recommend the approval of Resolution 2020-04 to City Council. Council Member Buckhannon seconded the motion. The motion passed unanimously.

6. **Highlights of Departmental Reports**

A. **Fire Department – Chief Hathaway**

Chief Hathaway reported there were 80 calls for service in October, bringing this year’s total to 767 calls for service, which is a 19% reduction from last year’s calls. He reviewed department activities and incident responses for October.

B. **Police Department – Chief Cornett**

Chief Cornett said there were 1,426 calls for service in October resulting in 122 total charges for the month including 14 DUIs, 18 drug charges, and one weapons charge. There were 300 traffic stops made in October. The department held its first pinning ceremony in October. He reported the arrival of the drone. He said, “We have one 107-license employee and a COA from the FAA and we are ready to go.”

He also shared the Humvee is being painted for free by the John Harris Body Shop on John Island and is expected to be completed soon.

Council Member Pounds asked that year-over-year data be added to the monthly police department data reports.

8. **Miscellaneous Business**

The next meeting of the Public Safety Committee will be scheduled for January 2021.

9. **Adjournment**

Council Member Pounds made a motion to adjourn, and Council Member Buckhannon seconded the motion. The motion passed unanimously. The meeting was adjourned at 9:35am.

Respectfully submitted,

Nicole DeNeane
City Clerk



PUBLIC WORKS COMMITTEE
8:00am, Thursday, November 5, 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 and Streetman\

Absent: Council Member Smith

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Director Pitts, Asst. Director Asero, Director Kerr

Also Present: Rick Karkowski and Hilary Aton of Thomas & Hutton

2. Approval of previous meeting's minutes – October 1, 2020

Council Member Pounds made a motion to approve the minutes of the October 1, 2020 meeting, and Council Member Streetman seconded the motion.

Director Pitts asked the minutes be amended to reflect a \$2,600 invoice instead of a \$26,000 invoice.

The amended minutes passed unanimously.

3. Citizens' Comments

The only comment was from Kelly Thorvalson of the SC Aquarium who spoke about cigarette litter on and near the beach. She noted that data indicates a 2-6% decrease in cigarette litter on the beach since the smoking ban was implemented. She hopes the City will do more to educate the public on the smoking ban and the toxicity of cigarette litter to the environment. She reported the Charleston Visitors Bureau has a plan for an educational campaign about beach smoking bans and that Folly Beach is in the early stages of discussing a similar ban. Administrator Fragoso said that the City has ordered appropriate signage for the most heavily used beach access paths and intends to add more signage each year.

4. Department Reports – Director Pitts and Assistant Director Asero

Director Pitts reported average garbage collections for October and yard debris collection is up a little. However, miscellaneous garbage collection was very high. There will be some invoices for vehicle maintenance, but expenses are still within budget.

Asst. Director Asero reviewed the Public Works activities for October. Eadies cleaned a ditch at the Methodist Church and 22nd Avenue. Vegetation cleanup also was done in that area. Estimates for drainage repair on Driftwood and 23rd and Harnett are being reviewed. Facilities maintenance included fencing and sensor repair at the Public Works building, City Hall elevator shaft repair, and plumbing repair at the Front Beach restrooms. He also is collecting estimates for the roof repair work needed on the Public Works building, but those received are higher than the estimate received from Trident. Work on that project is expected to begin next week.

He reported on pothole filling on Intercoastal Court, Waterway Boulevard sidewalk, and around City Hall and the Public Works Building, landscape removal and installation at the Public Safety building, and the removal of a wall on Forest Trail and Cross Lane.

Director Pitts reported that as of 1/1/2021, Seagrove Condominiums will be serviced by commercial dumpsters from Carolina Waste. He said the change was well received by the management company.

5. Old Business

A. Update on Phase III Drainage Project, small internal projects, and Waterway Boulevard path elevation – presentation by Thomas & Hutton

Rick Karkowski and Hilary Aton of Thomas & Hutton gave a three-part presentation detailing the status and challenges associated with the Waterway Boulevard path improvements, the smaller internal drainage projects, and the Phase III Drainage Project. A link to the YouTube video of this meeting containing that presentation and discussion can be found to the City's project timeline on the website.

Mr. Karkowski shared details of proposed 6' protection improvements along sections of Waterway Boulevard. He highlighted those areas in need of improvement and the area of the island positively affected by the improvements. Mr. Krakowski and Director Kerr stated that raising the protections higher than 6' did not increase the level of protection very much but added to the cost significantly.

Director Kerr noted that the parts of the path needing this work are also part of a drainage project. He envisions the project being completed in phases: repaving the path in the near future "with the roadmap of adding those [tidal] gates and doing those other smaller projects as we can."

Mr. Krakowski said the cost estimate will include drainage retrofitting and the installation of tidal controls. He added that the tidal controls impact the flooding more positively than the actual raising of the path. He said this level of protection is predicted to last 25 years and protect against King tides. The success of the project in the long term will require a public/private partnership with Wild Dunes.

Committee members agreed that Thomas & Hutton should move forward with a cost estimate on the Waterway Boulevard path improvements with at 6' protection as proposed.

Mr. Krakowski then reviewed the bids received for the small internal drainage projects. The low bid came from Gulfstream, but their estimate was still above the \$500,000 budgeted expense at \$612,000, which does not include any contingency. He shared that after talking with Gulfstream and the Water & Sewer Commission, Thomas & Hutton is prepared to submit a letter of recommendation to award the bid to Gulfstream.

Mr. Krakowski and Committee members discussed which of the projects could be dropped from the bid to keep expenses in line with the budget. Administrator Fragoso stated that another revenue source for this project comes from NPDES Stormwater Fund, which is managed for the City by Charleston County Stormwater. The City's fund balance is currently \$475,000. She said that while she prefers to keep a 25% balance in the fund at all times, it does accrue at approximately \$225,000/year. Administrator Fragoso and Director Kerr believe the process by which these funds are applied for and received will be straightforward. Mr. Krakowski added that the completion of the small internal projects will be helpful with regards to drainage, but their full effect will be seen upon completion of Phase III.

Committee members directed staff to apply for funds so that the full scope of the internal projects could be completed while allowing the City's budget to remain intact. Administrator Fragoso indicated she would like to have the project approved by full Council in November so there is no price increase, and the project can begin in January to be completed before the next beach season begins.

Mr. Krakowski then spoke about issues and concerns around the 30th Avenue outfall. He suggested changes to the easements in that area to allow the City easier access to the outfall without having to go across the golf course. Director Kerr summarized saying there is an increase in costs associated with this outfall, a potential increase in mitigation and permitting, and an increase in the need for easement area from Wild Dunes.

Director Kerr shared the work needing to be done in this area will affect the playability, look, and feel of the Wild Dunes Golf Course. Sodding over the entire area increases the costs significantly because for every percentage of acre that is disturbed there are offsetting mitigation costs. He hopes there is a way to partner with Wild Dunes on a wetlands project as part of the mitigation.

Mr. Krakowski said that the permitting for this area as well as the outfall at 36th Avenue will need to be divided into two separate permits. He said Thomas & Hutton continues to work through the cost, regulation, and mitigation issues to get the most out of the City's money. The start of the project will be into FY22.

Mr. Krakowski reported that the permits for Forest Trail are ready to be submitted and they believe their approval should be a quick process, hopefully starting construction in early 2021. He then briefly reviewed the designs of the other outfalls.

B. Discussion of outsourcing household garbage collection services

While there is nothing new to report on outsourcing, Council Member Pounds said he is encouraged to see work being done to eliminate backdoor service.

C. Update on Memorandum of Understanding (MOU) between the City and Dominion Energy ahead of next tree-trimming cycle and discussion of Dominion Energy's Non-Standard Service Fund and list of eligible projects

Council Member Pounds reported that he and Administrator Fragoso met with Dominion Energy recently. They are still waiting on high-level estimates from Dominion regarding eligible projects funded by the Non-Standard Service Fund. Administrator Fragoso agreed it was a productive meeting, and Dominion Energy understands the need for a strategic plan with the City moving forward. Conversation about the MOU is ongoing.

D. Discussion and consideration of amendments to §5-4-32 of the City's Zoning Code to allow for sewer pump stations with a 1,000 square foot or less footprint

Director Kerr said that following City Council's approval of the amendment at First Reading, the Planning Commission and the Water & Sewer Commission met to discuss further amendments to §5-4-32. He believes the Planning Commission will formalize their recommendation at their meeting next week, which will be presented to the full City Council at their November meeting.

Director Kerr reviewed the proposed changes the Planning Commission is considering. They would like the approval of a lift station changed from staff level to BOZA as a special exception. They also created a list of performance criteria for the lift stations, including: maintaining the 1,000-square-foot size limitation; providing odor control; enclosed within a 8' fence or building; the inclusion of a 10' vegetative buffer to create additional screening; lighting limited to when work is being done on the site only; backup power must come from mobile generators and only be onsite when needed' and a height limit of 12' for the equipment and a 16' height limit for a roof peak if the equipment is contained within a building.

6. New Business

A. Discussion of beach litter and trash collection

Director Pitts explained that when the recyclable trash containers at the beach are contaminated with non-recyclable trash like diapers, animal waste bags, and cardboard, they are refused by drivers for Charleston County Recycling Division. Administrator Fragoso said the City could do a better job of educating the public on how to properly dispose of their garbage and recyclables. Director Pitts noted that short-term rentals are doing a good job of informing their renters of how to properly handle their garbage and recyclable materials.

Administrator Fragoso said she is working with Chief Cornett on enforcement of the City's ordinance regarding the proper times to put out and pull up garbage and recycling roller carts.

7. Miscellaneous Business

The next meeting of the Public Works Committee is to be determined by further action from Dominion Energy. A meeting will be scheduled in December if it is deemed necessary. Otherwise the Committee will meet in January 2021.

8. Adjournment

Council Member Pounds made a motion to adjourn, and Council Member Streetman seconded the motion. The meeting was adjourned at 10:20am.

Respectfully submitted,

Nicole DeNeane
City Clerk



**Recreation Committee Meeting
5:00pm, Monday, November 2, 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 Moye, Popson, and Smith

Staff Present: Asst. Administrator Hanna, Director Page, Director Kerr

2. Approval of the previous meeting's minutes – October 5, 2020

MOTION: Council Member Popson made a motion to approve and Council Member Moye seconded the motion. The motion passed unanimously.

3. Citizens' Comments – none

4. Departmental Reports – Director Page

Director Page shared that Ghostly Tales was well attended on October 23 with 200-300 people in attendance. She noted that the location at the Front Beach worked out well with regards to bathroom access, better parking, and proximity to the Front Beach businesses. Staff is considering keeping the location for next year's event.

Committee members and Director Page agreed that the Halloween Carnival and Golf Cart Parade was a "smashing success." Over 80 golf carts participated in the parade. Staff has already begun to discuss plans for next year.

Director Page reviewed upcoming holiday offerings including the Holiday Street Festival, which will include less vendors to promote social distancing.

She reported there were not many changes to the activities happening at the Recreation Center from last month. Registration begins soon for the basketball league. She stated that practice and games will take up some gym time to allow for social distancing. Open Gym time is still not available and may require a reservation system.

5. Old Business -- covered in the Departmental Report

6. **New Business**

A. **Discussion and consideration of options moving forward with surfing instruction**

Asst. Administrator Hanna said that staff has taken a new direction on providing surfing instruction to island residents. Staff proposes altering the commercial activities permitted on the beach as a pilot program to allow for surfing lessons. Proposed restrictions for such a program include the times and locations of lessons, limitation of group size to 4 students to 1 teacher, the length of lesson time, and a prohibition for any signage or solicitation on the beach. The intent is for the operation of such classes to be as invisible as possible.

Council Member Popson expressed concern that permitting this change in commercial activity on the beach will act as a Pandora's Box, inviting more commercial activity. He also expressed concern about how these instructors will be policed to be sure they are adhering to the restrictions placed on them. Asst. Administrator Hanna and Director Kerr said they believed the business owners would be self-policing, believing that free market competition will keep all instructors in line with the restrictions. Director Page agreed, adding that the surf instructors are looking forward to teaching on the Isle of Palms. Director Kerr said that repeat violators of the rules face fines and the possibility of losing their business license.

Council Member Moye said request for any change to commercial activity on the beach should be determined by citizen interest, and there has been significant interest in providing surfing lessons on the island.

Director Page noted there was significant cost to the City and possible conflicts of interest on the part of the instructors had the City decided to hire someone as part of staff. She believes the program will be successful but is glad the sunset provision is included in the proposed change just in case something doesn't work out.

MOTION: Council Member Moye made a motion to approve the draft ordinance amending commercial activities on the beach to include surfing instruction. Council Member Smith seconded the motion.

Director Kerr clarified that each business would only be permitted to teach for a total of two hours per day. Director Page added that surfing is something that can only be taught in the ocean.

VOTE: A vote was taken as follows:

Ayes: Moye, Smith

Nays: Popson

The motion passed 2-1.

B. **Discussion of landscaping maintenance and pest control**

Director Page reported that Cecil Hernandez of the Clemson University Department of Pesticide Regulation visited the Recreation Center. He reviewed their records and said the City is in compliance with the products they use. She said that a member of Recreation Center staff is working on his "certification to spray."

She also reported that they spray insecticide “maybe once a year if we get mole crickets or something of that nature.” Typically, only fertilizers, pre-emergents, and herbicides are put down on the Recreation Center grounds.

She reported that a parent expressed concern last month about a child getting blue dye on them following some time on a soccer field. Director Page explained this non-toxic blue dye is used to indicate where spraying had occurred to prevent overuse. However, spraying was done later in that day than normal and had not dissipated as it does through the course of a typical day. Council Member Smith encouraged staff to use products that are safe for the public health.

7. Miscellaneous Business

The next meeting of the Recreation Committee will be on Monday, January 4, 2021 at 5pm.

8. Adjournment

Council Member Moye made a motion to adjourn, and Council Member Smith seconded the motion. The meeting was adjourned at 6:01pm.

Respectfully submitted,

Nicole DeNeane
City Clerk



Personnel Committee
9:00am, Thursday, November 12, 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 Moye and Streetman, Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna

2. Approval of previous meeting's minutes – October 8, 2020

Mayor Carroll made a motion to approve the minutes October 8 meeting, and Council Member Streetman seconded the motion. The minutes passed unanimously.

3. Citizen's Comments – none

4. Old Business

A. Discussion and consideration of proposals received for RFP 2020-07 Wage and Compensation Analysis

Administrator Fragoso stated the 400 pages received from 6 bidders are attached to the agenda. Bids ranged in price from \$14,000 to over \$30,000. She said the next step is to speak with local governments that have used these firms. Staff will be ready to make a recommendation to the Personnel Committee at a Special Meeting in December.

B. Update on Fire Chief hiring process

Administrator Fragoso reported that 50-55 resumes have been received to date, and the closing date for the application process is November 16. Several internal candidates have applied. Resumes are reviewed for the necessary qualifications and certifications. A narrowed-down pool of candidates will be sent to Personnel and Public Safety Committee members before Thanksgiving.

5. New Business

A. Consideration of application for appointments to Boards and Commissions

Administrator Fragoso reported there are five applicants for three vacancies on the Planning Commission, two applicants for one vacancy on the Board of Zoning Appeals, and four applications for three vacancies on the ATAX Board.

Council Member Moye suggested there be less questions involved in the interview process and to keep interviews to 20 minutes each. Recommendations should be ready for the Special City Council Meeting on December 8.

MOTION: Mayor Carroll made a motion to recommend the appointments of David Cohen, Steven Corney, and Sandy Stone to the Planning Commission. Council Member Streetman seconded the motion. The motion passed unanimously.

MOTION: Mayor Carroll made a motion to recommend the reappointment of Julise Spell to the ATAX Board, the appointment of Ray Burns to the ATAX Board, and to interview two candidates for the remaining open seat on that Board. Council Member Streetman seconded the motion.

MOTION: Council Member Moye made a motion to interview both candidates for the vacancy on the BOZA. Council Member Streetman seconded the motion. The motion passed unanimously.

Council Member Moye directed staff to devise 2-3 interview questions based on the needs of each Commission or Board. Potential interview dates will be set up via email.

6. Miscellaneous Business

The next meeting of the Personnel Committee will be scheduled prior to the December 8 Special City Council Meeting. The next regular meeting of the Personnel Committee will be Tuesday, January 12, 2021 at 9am.

7. Adjournment

Council Member Streetman made a motion to adjourn, and Mayor Carroll seconded the motion. The motion passed unanimously. The meeting was adjourned at 9:51am.

Respectfully submitted,

Nicole DeNeane
City Clerk

Fire Chief Hiring Process – Timeline

Action	Milestones
1. Identify Hiring Need	Fire Chief retiring December 31, 2020
2. Review of Job Description	October 9, 2020
3. Devise a Recruitment Plan - Strategy on how to publicize the position, both internally and externally, criteria for initial candidate screening, what the interview process will look like and who will conduct the interviews	Personnel Committee Meeting, October 8, 2020
4. Development of Hiring Brochure	October 16 – 23, 2020
5. Advertise the Position Internally & Externally- City website, social media, local newspaper, fire industry publications, job posting websites, etc.	October 23 – November 16, 2020
6. Review Applications	November 20, 2020
7. Standardized Assessment	November 20 – 27, 2020
8. Phone Interviews & Initial Screening	November 30 – December 7, 2020
9. Conduct Interviews, Meet & Greet	December 14 – 18, 2020
10. Perform Background, Reference Checks & Physical Exam	December 28 – 31, 2020
11. Final Decision & Presentation of Offer Letter	January 2021



REAL PROPERTY COMMITTEE
1:00pm, Wednesday, November 4, 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 Buckhannon, Bell, and Popson

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Director Kerr

2. Approval of previous meeting's minutes – October 7, 2020

Council Member Bell made a motion to approve the minutes of the October 7, 2020 meeting and Council Member Popson seconded the motion. The minutes passed unanimously.

3. Citizens' Comments

City Clerk DeNeane read the comments received into the record. They can be found in their entirety on the City's website alongside the agenda for this meeting.

4. Marina Tenant Comments -- none

5. Old business

A. Update on marina rehabilitation project

Administrator Fragoso reported, "We had a pre-construction meeting with the stakeholders last month that was well attended and turned out to be very productive. Yesterday, the Marina Manager, Brian, held another pre-construction meeting with ATM and the contractor and his subtenants to talk about scheduling and just kind making sure that they are well aware of the project and how that going to be affecting the operation somewhat during the construction. Again, very well received and successful. I've got really good feedback from both Brian and Kirby [of ATM] on this meeting yesterday."

She continued, "The design for the fuel hut has been submitted to the Building Department's office for review and approval. Then it will be submitted to Salmon's Dredging for pricing." She added that the marina manager is paying for the design of the hut as it is not covered in the \$100,000 placeholder for the construction.

Additionally, she said, "We have submitted requests to the contractors to Salmon's on a couple of items for potential change orders for us to consider. One, as you all know, is for the relocation

of the former water sports dock out of the setback line that is encroaching into the intercoastal waterway along the outside of the floating dock. We have not yet received pricing for that, but they are working on it. We have also requested Salmon's to provide some pricing for the improvement to the boat ramp. We have heard some concerns from users and from the Marina Manager about the drop off at the end of the boat ramp. The boat ramp is part of the lease premises to Marina Joint Ventures, so any improvements would have to be covered by the tenant, by Marina Joint Ventures... We have executed the change order in the amount of \$1,500 for the electrical redesign of the electrical panel that was originally contemplated very close to the sandpit area of the restaurant, and at the request of these potential new tenants for the restaurant, we are working with ATM and with the contractor to relocate that electrical panel to the area behind the sound stage. It makes more sense. Our Fire Department feels like it is a better area. It will be better protected. So we have approved the change order with the understanding that the restaurant tenants will be covering any additional expense related to that relocation, which has been estimated to be between \$10,000-\$15,000. It could be a lot less, but we won't know yet until we get those designs in front of the contractor for pricing. We are also working on the coordination with Dominion Energy for the relocation of the transformer. I think that is very close to the outside bar area at the restaurant. A new transformer is going to be installed in that grassy area that separates the boat ramp from the parking lot to the restaurant. That will be feeding the docks that are along Morgan Creek that are in front of the restaurant."

She reported that the bulkhead recoating process begins November 17 beginning on the Dewees Marina property line side. She said the contractor also plans to do some utility work concurrently with the recoating work. Committee members noted the noise involved in the bulkhead recoating process and would like to see the work done during times as dictated by City ordinance.

Lastly, Administrator Fragoso reported that the first set of docks for the area between Dewee's and the boat ramp will be arriving in mid-January. The second set should arrive in February.

The contract for the Builder's Risk insurance has been executed.

B. Update on proposed ADA-compliant walkover at 42nd Avenue

Administrator Fragoso said City Council will need to approve the new project as the scope of work has changed. Once Council approves that change, staff will submit an application to the Greenbelt program for approval of the project and using the same amount of money that was previously allocated to the City. Director Kerr continues to work on securing additional pricing for the project. After the Greenbelt program approves the project, the City will need to go through the bidding process.

MOTION: Council Member Bell made a motion to recommend the changed scope of work for the ADA-compliant beach walkover at 42nd Avenue to City Council for approval. Council Member Popson seconded the motion. The motion passed unanimously.

C. Discussion of improving beach access paths between 21st and 41st avenues with the installation of foot bridges at key locations

Administrator Fragoso said the previously award monies unused from the changed walkover project (approximately \$110,00) could be rolled over into a new request to the Greenbelt fund for the improvement of beach access paths between 21st and 41st avenues.

Director Pitts and Asst. Director Asero completed an inventory of the beach access path and identified those in most need of improvement: 28th, 29th, 32nd, 34th, 36th, 37th, 39th, 45th, and 50th avenues. Cost estimates are being sought, but they will be high due to the increase in the cost of lumber.

D. Discussion of conceptual designs of the proposed public dock and greenspace at the IOP Marina

Administrator Fragoso and Director Kerr met with island resident and landscape architect, Kelly Messier, to discuss plans for the City's space at the marina. A conceptual design provided pro bono by Ms. Messier was reviewed with Committee members. The design has also been shared with the Marina Manager and the IOP Families Group who were in favor of the concept. A path around the perimeter of the property would segregate pedestrian and bike traffic from vehicular traffic.

Committee members responded positively to the conceptual design and would like to have more resident engagement in the project. Administrator Fragoso pointed out that the entryway design does take up some of the limited parking spaces allotted to the City. She also said this could be an opportunity for residents to donate to project costs through engraved bricks, benches, and other elements.

Administrator Fragoso added, "There are challenges that need to be overcome, and this really needs to be a partnership. We were just asked to think big or think possible, and this is certainly possible with everybody's participation. And it may not end up looking exactly like this, but certainly I think it is a good first draft of what is possible."

6. **New Business** -- none

7. **Miscellaneous Business**

The next meeting of the Real Property Committee will be scheduled for January 2021.

8. **Adjournment**

Council Member Bell made a motion to adjourn and Council Member Popson seconded the motion. The meeting was adjourned at 1:42pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

MODULAR
Bolt Together
Flex Walk
BOARDWALKS

Mister Boardwalk®
...built to last!

MADE IN THE U.S.A.

Assembled
with
Stainless
Steel Rods

Designed for HIGH TRAFFIC public use ...PERMANENT or TEMPORARY



Drive on Use



New England Beach Boardwalk



Easy Access for Everyone

NO CARPENTERS or PERMITS REQUIRED ...lower cost

EASILY INSTALLED ...by anyone SELF-LEVELING ...contours to any surface



Over Grass



Special Events



Curves anyway you like

QUICKLY REMOVED ...after the season or before a storm

EASILY RE-POSITIONED ...over new sand



At the Playground



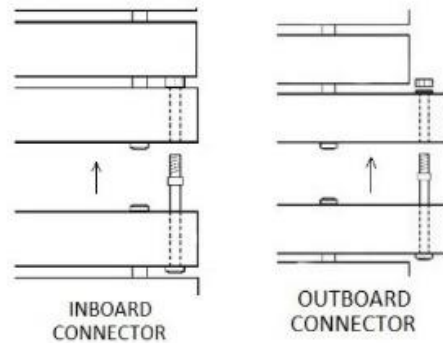
Event Venues

BUILT TO LAST ...even with tough use • GUARANTEED ...against rot & termites

UNIQUE DESIGN ...provides a safe, flat walking surface that smoothly transitions from one modular section to the next



In the Park



Choice of Connector Systems

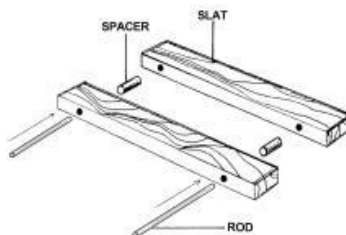


At the Beach

NO NAILS ...to rust, deteriorate, pop out or get hot ...prevents injury

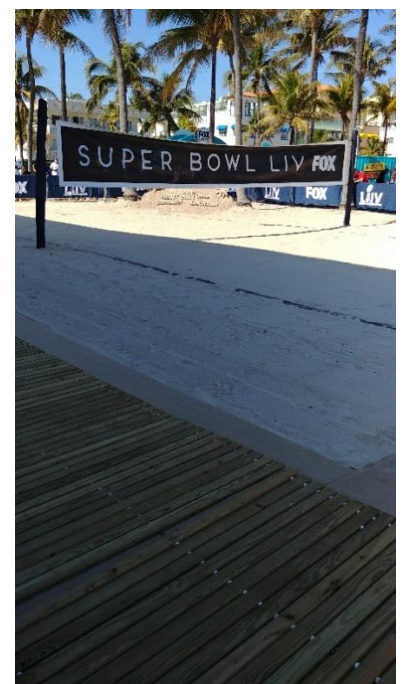
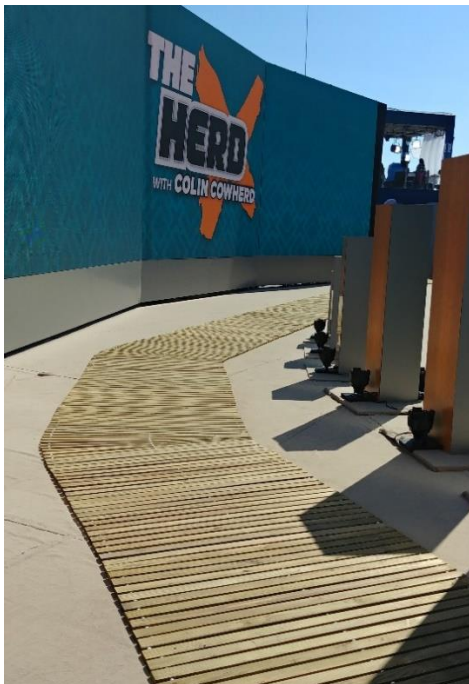
PERMANENT OR SEASONAL USE ...ideal for both

GREAT WINTER FEATURES ...no buckling & cracks, less ice in low spots, snowblowers & salt are OK (or shovel sideways)



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Ronald Hanna

From: Earthworks <trevor@earthworksconst.com>
Sent: Monday, October 5, 2020 4:34 PM
To: Douglas Kerr
Cc: Robert Asero
Subject: [EXTERNAL] Re: daily rate

Douglas,

Just use \$2,500.00 per day for a 4 man crew and equipment for grading & installation. We would probably have a small mobilization charge \$250 - \$500 depending on what equipment we would end up using.
Thanks

Trevor Capps,

Earthworks Construction Company, LLC
3092 South Shore Drive
Charleston, SC 29407
Mobile - 843-343-1145
Fax - 1-866-571-0080
Email : trevor@earthworksconst.com
Info : www.earthworksconst.com



On 2020-10-01 11:20, Douglas Kerr wrote:

Trevor- Robert gave me your contact info and said you might be able to help. The city is considering installing 280'x8' of modular beach path material similar to what is shown on the attached photo at the end of 42nd Ave. According to the manufacturer, the material is built in 3'x8' sections of Ipe slats with stainless steel rods that are bolted together. He says that four guys and a fork lift should be able to put this together in a day.

I am trying to give City Council a ballpark guess of cost of installation equipment and labor. Could you give me a wild guess of what it would cost to have your company grade out the existing path (just flatten existing small humps- see attached photo of path), then have four men and a piece of equipment with forks installing these panels for two full days? We would not hold you to this, but I want to plug some number into the guess that I provide. Thanks for your help, Douglas

Douglas Kerr
Director of Building, Planning and Licensing
City of Isle of Palms
P.O. Drawer 508
Isle of Palms, SC 29451
(p) 843-886-9912
(f) 843-886-8005

*** WARNING *** All e-mail correspondence to and from this address may be subject to public disclosure under the South Carolina Freedom of Information Act (FOIA).

From: [Douglas Kerr](#)
To: [Desiree Fragoso](#)
Cc: [Ronald Hanna](#); [Robert Asero](#)
Subject: FW: quote for rugged modular walkway
Date: Tuesday, October 6, 2020 1:20:00 PM
Attachments: [Outlook-uspkxidl.png](#)
[Outlook-315k3o2v.png](#)
[Outlook-fpni2kie.png](#)
[Outlook-dhwuw5it.png](#)
[Outlook-v0dfy3uk.png](#)
[Flex Walk Modular Boardwalk Flyer.pdf](#)
[Project References4.pdf](#)
[EXTERNAL Re daily rate.msg](#)

Desiree- below are quotes on modular boardwalk material similar to what Hilton Head uses. Additionally, I have attached correspondence from Earthworks Construction indicating two days of work (which is twice the time the manufacturer suggested) would be \$5,0000 for installation.

Based on the fact that we will be driving on the material and the information below indicating there will not be any guarantee unless with use thicker material, I would suggest we budget \$75,000 for this project, excluding any paving we may want done. This amount is \$60k materials, \$5k labor + 15% contingency.

Let me know if you have any questions. Thanks, Douglas

Douglas Kerr

Director of Building, Planning and Licensing

City of Isle of Palms

P.O. Drawer 508

Isle of Palms, SC 29451

(p) 843-886-9912

(f) 843-886-8005

*** WARNING *** All e-mail correspondence to and from this address may be subject to public disclosure under the South Carolina Freedom of Information Act (FOIA).

From: Mister Boardwalk <misterboardwalk@outlook.com>
Sent: Tuesday, October 6, 2020 12:44 PM
To: Douglas Kerr <dkerr@iop.net>
Subject: [EXTERNAL] Re: quote for rugged modular walkway

Hi Douglass,

Attached is a Flyer for FlexWalk Boardwalks and list of Project References (somewhat outdated) that may help in your meeting.

Below are the quotes I've worked up for you. I agree with your comment that the 5/4 option probably makes the most sense for your project. But there is one qualification. Whereas we fully guaranteed the 2x lpe for drive on use, we do not fully guarantee the 5/4 lpe for drive on use. If the 5/4 is not completely supported by sand, then it's possible, in drive over situations, to break the 5/4x slats at the weaken area around the holes used for the stainless-steel rod and the connecting bolts. That said, you are unlikely to have any problems with the 5/4x material and we are happy to replace a reasonable number boards and sections that over time have been damaged in extraordinary situations.

The prices shown below are for 280 linear ft. of 8' wide FlexWalk Boardwalk made with Narrow Spacing and assembled with stainless-steel rods into 3' long bolt together sections. The quotes include shipping to Isle of Palms SC, all appropriate discounts, and all necessary hardware.

Made with 5/4x lpe (actual 1') - \$46,362.45

Made with 2x lpe (actual 1 1/2") - \$59,390.47

I was going to quote you on the Roll Out product also (assembled with marine nylon cord) but decided against it. The thinner lpe (1x - actual 3/4") and the rope would not hold up to regular drive on use. I'll be glad to provide the Roll Out price if you like though.

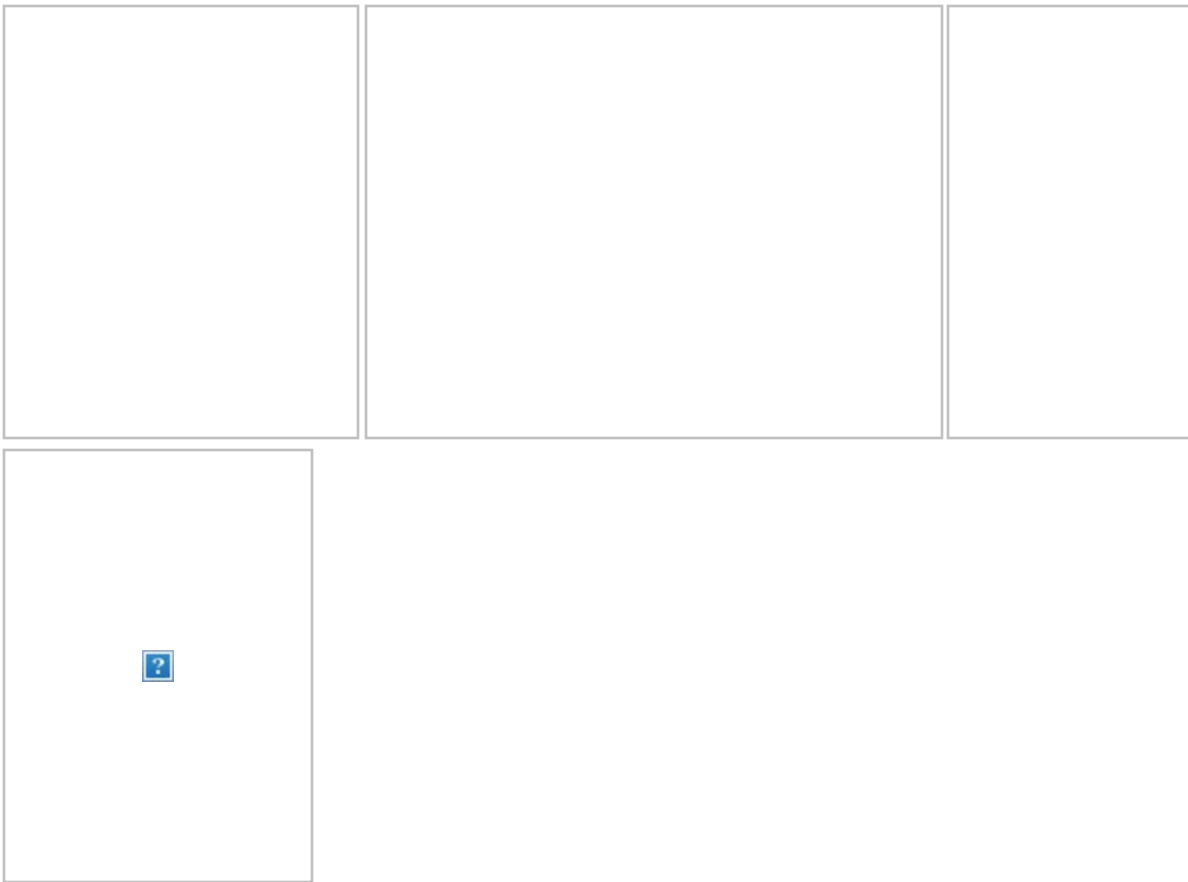
Don't hesitate to contact me if you have any questions. And thank you for the opportunity to quote!

Warren
Customer Service



www.misterboardwalk.com

Telephone: 800-813-4050



From: Douglas Kerr <dkerr@iop.net>

Sent: Wednesday, September 30, 2020 8:10 AM

To: misterboardwalk3@aol.com <misterboardwalk3@aol.com>; misterboardwalk@outlook.com <misterboardwalk@outlook.com>

Subject: quote for rugged modular walkway

We are interested in getting a quote for 280' by 8' of Ipe modular walkway that would be suitable for occasionally driving over. It would be placed on one of our sandy beach access paths and generally just walked on, but occasionally (2x a day or so) a normal pickup truck will drive over it. We would want the material shipped to Isle of Palms, SC.

Please let me know what this would cost. Thanks, Douglas

Douglas Kerr
Director of Building, Planning and Licensing
City of Isle of Palms
P.O. Drawer 508



PUBLIC DOCK
WITH KAYAK LAUNCH

BENCHES

BENCHES

BENCHES

BENCHES

RESTAURANT

KAYAK
STORAGE

FLAGPOLE IN LAWN AREA
WITH SEAT WALL

BIKE PARKING

BIKE PARKING

GOLF CART PARKING

GOLF CART PARKING

ENTRY WALK TO PARK CONNECTS
TO NEW MARINA WALK LOOP

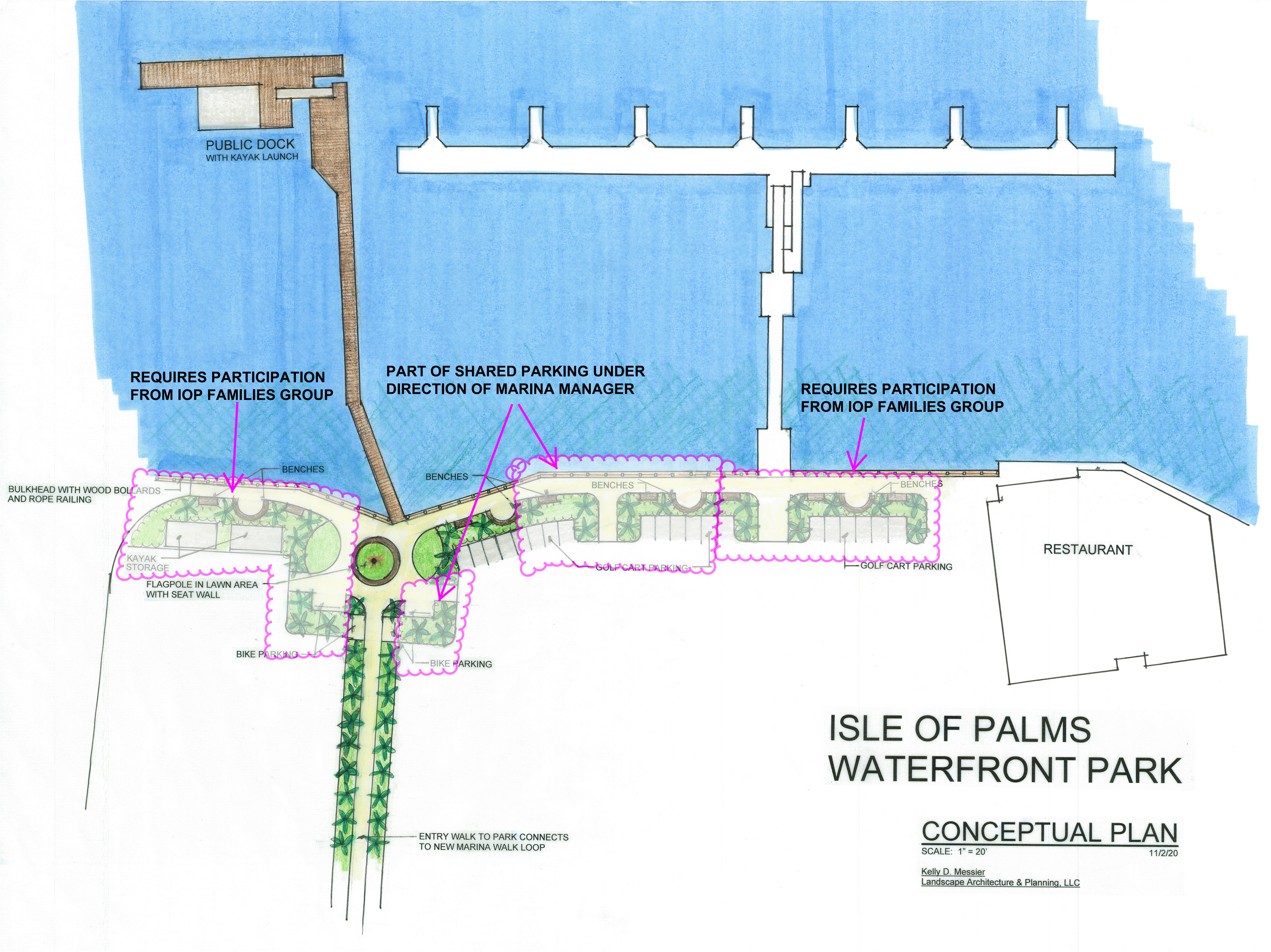
ISLE OF PALMS WATERFRONT PARK

CONCEPTUAL PLAN

SCALE: 1" = 20'

11/2/20

Kelly D. Messier
Landscape Architecture & Planning, LLC



PUBLIC DOCK
WITH KAYAK LAUNCH

REQUIRES PARTICIPATION
FROM IOP FAMILIES GROUP

PART OF SHARED PARKING UNDER
DIRECTION OF MARINA MANAGER

REQUIRES PARTICIPATION
FROM IOP FAMILIES GROUP

BULKHEAD WITH WOOD BOLLARDS
AND ROPE RAILING

BENCHES

BENCHES

BENCHES

BENCHES

KAYAK
STORAGE

FLAGPOLE IN LAWN AREA
WITH SEAT WALL

BIKE PARKING

BIKE PARKING

GOLF CART PARKING

GOLF CART PARKING

RESTAURANT

ENTRY WALK TO PARK CONNECTS
TO NEW MARINA WALK LOOP

ISLE OF PALMS WATERFRONT PARK

CONCEPTUAL PLAN

SCALE: 1" = 20'

11/2/20

Kelly D. Messier
Landscape Architecture & Planning, LLC

Suggested dock attachment to facilitate kayak/SUP launching.





**Planning Commission Meeting
3:00pm, Thursday, November 12, 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: Marty Brown, Scott Pierce, Ron Denton, William Mills, Vince DiGangi, Rick Ferencz, Lisa Safford, and Douglas Kerr, Director of Planning

2. Approval of minutes

Mr. Pierce made a motion to approve the minutes of the October 14 regular meeting, and Ms. Safford seconded the motion. The motion passed unanimously.

Ms. Safford made a motion to approve the minutes of the October 28 special meeting, and Mr. Denton seconded the motion. The motion passed unanimously.

3. New Business

Consider making a recommendation to City Council regarding a zoning amendment affecting sewer infrastructure in residential zoning districts.

Director Kerr reviewed proposed changes to the ordinance as compiled from the October 28 Special Meeting. Commissioner discussed concerns surrounding odor control. A wording change to the criteria regarding odor control places “and” between the two stated requirements.

Commissioners would also like the wording changed from “wastewater components” to “facility components when speaking about what is screened from public view.

Commissioners would like the language included in this section that echoes the criteria surrounding sound, dust, glare and traffic conditions from the Special Exception considerations of BOZA.

MOTION: Mr. Pierce made a motion to recommend the change to §5-4-32 of the zoning code as modified by the Planning Commission. Ms. Safford seconded the motion. The motion passed unanimously.

4. Old Business

Review of Community Facilities Element of Comprehensive Plan

Commissioners discussed goals and strategies related to drainage and stormwater runoff and protecting the City's investment in real property such as City buildings. Commissioners removed numerous specific references to the marina in this part of the plan.

Commissioners reviewed and discussed changes to the narrative section of the Community Facilities Element. Part of that discussion included sewer impact fees.

5. Miscellaneous Business

A. Next meeting

The Planning Commission could schedule a meeting in December to speak with Thomas & Hutton regarding drainage. The next regularly scheduled meeting will be in January 2021.

B. Update on drainage planning

Director Kerr reported on the proposed elevation of Waterway Boulevard project. He said Thomas & Hutton is working on a cost estimate for that.

He also reported that the cost estimates for the smaller internal drainage projects came in over budget, but the Public Works Committee approved using monies held for the City by the County for such projects. If approved by Council, the work could begin in January 2021.

Lastly, he shared the design and permitting challenges associated with Phase III Drainage Project.

C. Update on MOU with Water & Sewer Commission

Director Kerr said the MOU has been approved by City Council and is awaiting the appropriate signatures.

7. Adjournment

Mr. DiGangi made a motion to adjourn and Mr. Denton seconded the motion. The meeting was adjourned at approximately 5:25pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

ORDINANCE 2020-10

AN ORDINANCE AMENDING TITLE 5, PLANNING AND DEVELOPMENT, CHAPTER 4, ZONING, ARTICLE 1, GENERAL PROVISIONS, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES

WHEREAS, the Isle of Palms Council is authorized to amend its ordinance; and

WHEREAS, it is necessary and appropriate to revise the current chapter to address Sewer pump stations with a footprint of one thousand square feet as a special exception; and

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED THAT CHAPTER 4, ZONING, SHALL BE AMENDED TO READ AS FOLLOWS:

Sec. 5-4-32. - SR-1 single-family residential district.

In addition to all other applicable requirements of this chapter and other City ordinances, the requirements for the SR-1 district are as follows:

- (1) *Purpose.* The purpose of the SR-1 single-family residential district is:
 - a. To provide for quiet, low-density residential neighborhoods on comparatively large lots.
 - b. To discourage unwarranted encroachment by prohibiting commercial uses and to prohibit other uses which would interfere with the development or continuation of single-family use.
 - c. To encourage the cessation of nonconforming uses.
 - d. to discourage uses which would generate traffic on minor streets other than required to serve residences on those streets.
 - e. To maintain the integrity of established residential neighborhoods, and to minimize the disruption of existing residential patterns by the scattered development of comparatively large residential lots.
- (2) *Permitted uses.* Permitted uses in the SR-1 single-family residential district shall be:
 - a. Detached, single-family dwelling.
 - b. Residential accessory uses.
 - c. Sewer pump stations with a footprint of one thousand square feet (1,000 sq') or less.

- (3) *Permitted special exceptions.* Permitted special exceptions in the SR-1 single-family residential district shall be:
- Elementary and secondary schools offering general education courses.
 - Church, synagogue, or other place of worship.
 - Group dwellings.
 - Golf courses.
 - Home occupations meeting the requirements of section 5-4-44.
 - Public utility and municipal uses satisfying the special exception requirements set forth in subsection (9) of this section.
- (4) *Conditional uses.* Public utility and municipal uses satisfying the conditional use requirements set forth in subsection (9) of this section shall be conditional uses in the SR-1 single-family residential district.
- (5) *Minimum lot requirements.* Minimum lot requirements in the SR-1 single-family residential district are as follows:
- Lot area: thirty-five thousand (35,000) square feet of contiguous highland.
 - Lot width: seventy feet (70') measured at building line.
 - Lot depth: one hundred ten feet (110').
 - Lot frontage: sixty feet (60') on a public or private street; thirty feet (30') on a public or private cul-de-sac.

Vehicle access to the lot from a public or private street shall be provided within the required lot frontage.

- (6) *Minimum yard requirements.* Minimum yard requirements in the SR-1 single-family residential district are as follows:
- Front yard: thirty feet (30').
 - Side yard: ten feet (10').
 - Rear yard: thirty feet (30').

Exception: minimum yard requirements for lots with an area less than seventeen thousand five hundred (17,500) square feet.

- Front yard: twenty-four feet (24').
- Side yard: ten feet (10').
- Rear yard: twenty-four feet (24').

- (7) *Maximum height.* Maximum height in the SR-1 single-family residential district shall be forty feet (40').
- (8) *Double frontage lots.* Double frontage lots are prohibited in the SR-1 single-family residential district.

(9) *Public utilities and municipal uses.*

- a. *Public utility facilities and uses.* This subsection (9)a applies to wastewater treatment facilities, public works maintenance and storage facilities, and all other public utility facilities or uses.
 - (i) Construction or alteration of a public utility facility may be approved in a residential zoning district as a conditional use subject to a finding by the Zoning Administrator that the facility satisfies all of the following conditions:
 1. The facility is located on a lot that is at least one (1) acre in size;
 2. The overall lot coverage of the facility is less than fifty percent (50%);
 3. The minimum setback for any structure is thirty feet (30') from all property lines;
 4. The maximum overall height of any structure is thirty feet (30');
 5. The minimum buffer along all property lines is twenty feet (20') wide with at least six (6) canopy trees, twelve (12) understory trees, and one-hundred (100) three-gallon shrubs per one-hundred (100) linear feet of property line; with each species approved by the Zoning Administrator based on its ability to provide screening and drought tolerance;
 - (ii) The Board of Zoning Appeals may approve construction or alteration of a public utility facility in a residential zoning district as a special exception subject to the requirements of section 5-4-5(c) and upon a finding that the following additional conditions are met:
 1. The facility is located on a lot that is at least one-half ($\frac{1}{2}$) acre in size;
 2. The overall lot coverage of the facility is less than fifty percent (50%);
 3. The minimum setback for any structure is twenty feet (20') from all property lines;
 4. The maximum overall height of any structure is forty feet (40');
 5. The minimum buffer along all property lines is ten feet (10') wide with at least six (6) canopy trees, twelve (12) understory trees, and one-hundred (100) three-gallon shrubs per one-hundred (100) linear feet of property line; with each species approved by the Zoning Administrator based on its ability to provide screening and drought tolerance.
- b. *Municipal facilities and uses.* This subsection (9)b applies to all municipal facilities, including but not limited to City halls, fire stations, police stations, public safety facilities, and recreation centers, parks, playgrounds, and any other municipal use, but excludes public utility facilities or uses.
 - (i) Construction or alteration of a municipal facility may be approved in a residential zoning district as a conditional use subject to a finding by the Zoning Administrator that the facility satisfies all of the following conditions:
 1. The facility is located on a lot that conforms in size to the applicable zoning district requirement;

2. The overall lot coverage is less than forty percent (40%);
 3. The minimum building setback from the front or rear lot line is thirty feet (30');
 4. The minimum building setback from any side lot line is ten feet (10');
 5. The maximum overall height of any structure is forty feet (40');
 6. A buffer is installed that complies with section 5-4-71.
- (ii) The Board of Zoning Appeals may approve construction or alteration of a municipal facility in a residential zoning district as a special exception subject to the requirements of section 5-4-5(c) and upon a finding that the following additional conditions are met:
1. The facility is located on a lot that conforms in size to the applicable zoning district requirement;
 2. The overall lot coverage is less than fifty percent (50%);
 3. The minimum building setback from the front or rear lot line is twenty feet (20');
 4. The minimum building setback from any side lot line is ten feet (10');
 5. The maximum overall height of any structure is forty feet (40');
 6. A buffer is installed that complies with section 5-4-71.

SECTION 2. That this Ordinance take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF October, 2020.

Jimmy Carroll, Mayor

(Seal)

Attest:

City Clerk

First Reading: _____

Second Reading: _____

Ratification: _____

ORDINANCE 2020-11

AN ORDINANCE AMENDING TITLE 7, LICENSING AND REGULATION, CHAPTER 4, REGULATION OF ALARM SYSTEMS AND BUSINESSES, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES

WHEREAS, the Isle of Palms Council is authorized to amend its ordinance; and

WHEREAS, it is necessary and appropriate to revise the current chapter to improve registration and responses to commercial and residential alarm systems; and

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED THAT CHAPTER 4, REGULATION OF ALARM SYSTEMS AND BUSINESS, SHALL BE AMENDED TO READ AS FOLLOWS:

SECTION 1. That Chapter 4 is hereby amended by adding (c) to state as follows:

Sec. 7-4-1. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Alarm business means the business or occupation by any individual, partnership, corporation or other entity of selling, leasing, maintaining, servicing, repairing, altering, replacing, moving or installing any alarm system or causing to be sold, leased, maintained, serviced, repaired, altered, replaced, moved or installed any alarm system in or on any building, structure, or facility or dwelling.

Alarm system. The term "alarm system" means any assembly of equipment, mechanical or electrical, arranged or designated to signal the occurrence of an illegal entry, fire, need for medical assistance, or other activity or hazard requiring urgent attention within a building, home, structure or facility and to which the City Police Department or Fire Department is expected to respond.

The term "alarm system" shall not include individual smoke detectors in private dwellings which are not connected to an external alarm. Alarm systems shall not include audible alarms affixed to automobiles.

Alarm user means any person, firm, partnership, association, corporation, company or organization of any kind in control of any building, structure, or facility where an alarm system is maintained.

Automatic dialing system means any alarm system or device which automatically sends over regular telephone lines, by direct connection or otherwise, a prerecorded voice

message or coded signal indicating the existence of the emergency situation that the alarm system or device is designated to detect.

~~*False alarm.*~~

~~The term "false alarm" means any alarm which is given, sounded or otherwise expressed when there is no apparent causal event requiring immediate police, fire or other emergency response, including but not limited to the activation of or notification by an alarm system through mechanical or electronic defect or failure, malfunction, defective installation, the negligence of the alarm user or his employees, agents, invitees or licensees, or the conducting of an alarm test or drill without the prior notification to the City Police and Fire Departments.~~

~~The term "false alarm" shall not include alarms activated where fire conditions exist, alarms caused by power failure, or alarms activated due to severe weather conditions, including, but not limited to, lightning, high winds, heavy rainfall, sudden temperature changes that create implosive pressures within the affected property, hurricane conditions, earthquakes or other natural disasters.~~

~~*Local alarm* means those alarms which activate an audible signal within the proximity of the premises only.~~

(Code 1994, § 7-4-1; Ord. No. 1996-17, 10-22-1996; Ord. No. 2011-04, § 1, 7-26-2011)

Sec. 7-4-2. - Compliance with chapter provisions.

No person or entity shall engage in, conduct or carry on an alarm business within the City without complying with this chapter, and all other applicable State laws and City ordinances.

(Code 1994, § 7-4-2)

~~**Sec. 7-4-3. —Registration required.**~~

~~Each alarm business owner and operator is required to register with the City Police Department the name, address, and telephone number of each new subscriber within the City prior to the activation of the new alarm system, or upon notification that an existing alarm system has been sold or transferred to another subscriber.~~

~~Whenever any change occurs relating to the written information required by this chapter, the applicant or permittee shall give written notice thereof to the Police Department within ten (10) days following such change.~~

(Code 1994, § 7-4-3)

Sec. 7-4-3. - Specific alarm regulations.

The alarm user shall at all times maintain the alarm system in a state of good repair. ~~The user will repair any malfunctioning alarm system within twelve (12) hours of discovery of a problem and will notify the Police Department when the malfunction has been remedied.~~

~~All alarm businesses shall have qualified repair and maintenance personnel available for call by the Police Department twenty-four (24) hours a day, every day of the year. All alarm businesses shall have personnel available to respond at the request of the Police Department to any alarm location within thirty (30) minutes of notification.~~

All alarm users ~~shall~~ **may** provide the Police Department with a written list of at least two (2) persons who are authorized and available to respond to the Police Department on the alarm user's behalf regarding any alarms at such user's location within thirty (30) minutes of notification. Such list shall be on such form as is prescribed by the Police Department and ~~shall~~ **should** be updated by the alarm user no less than once per calendar year.

In the event an alarm system cannot be deactivated in a timely manner, such alarm business/user shall ~~be required to~~ provide personnel for surveillance to said business until such time as the alarm is deactivated (audible alarm) and/or the business is safely secured.

All alarm users shall notify the ~~Police Department Alarm Business~~ immediately prior to testing the alarm system or performing maintenance on the system. ~~Further, the user shall re-notify the Police Department immediately upon completion of testing or maintenance work.~~

~~All new alarm systems other than commercial fire alarms shall have reset capability to reset within fifteen (15) minutes. An alarm system cutoff shall be installed to override all malfunctioning reset systems. All audible alarms may not emit a sound similar to an emergency vehicle. The users of existing alarm systems will have one (1) year from the adoption of the ordinance from which this chapter is derived to convert such systems to comply with the provisions herein.~~

It is unlawful for any person or business to program or use an automatic dialing system to dial directly into the City's public safety communication centers, including, but not limited to, the City Police and Fire Departments and the Charleston County Consolidated 911 Dispatch Center, whether by dialing 911, a primary trunk line, or any other number or line leading into the City's public safety communication centers.

(Code 1994, § 7-4-4; Ord. No. 1996-17, 10-22-1996; Ord. No. 2011-04, § 2, 7-26-2011)

Sec. 7-4-4. - Alarm permits required.

~~No person or entity shall install or use an alarm system within the City without first applying for and receiving an alarm permit in accordance with the provisions of this chapter. Each system and each location shall require a permit. The alarm user shall be responsible for obtaining permit and ensuring full compliance with this section.~~

~~There shall be an initial \$25.00 alarm permit fee, due and payable by the user upon installation of the alarm system. The Police Department shall provide for an annual postcard permit renewal system which shall provide for free renewal to the user for permit renewals received by the Police Department during the month of January of the renewal year. There shall be a \$10.00 permit renewal fee due from the user for any renewals received by the City after January 31 of the renewal year.~~

~~Alarm permits shall expire on December 31 of each year. Applications for renewals of permits shall be processed in the same manner as applications for the initial permit.~~

~~Applications for an alarm permit shall be filed with the Police Department on forms provided by the Department. The application shall be signed and verified by the applicant and shall contain such information as the Department may require and must include the name, address and telephone number of a person or company who will render service or repairs during any hour of the day or night. Permits provided for in this chapter shall be issued by the Police Department and shall be nontransferable.~~

The alarm user/permittee shall supply on his application for a permit the names, addresses and phone numbers of at least two (2) persons to call in the event of an emergency. If the user/permittee has arranged for a service contract, emergency telephone numbers of the service company shall be supplied. The alarm user/permittee is responsible for updating the information provided to the Police Department.

(Code 1994, § 7-4-5; Ord. No. 1996-17, 10-22-1996; Ord. No. 2011-04, § 3, 7-26-2011)

Sec. 7-4-5. - Enforcement and penalties.

~~Failure to apply or re-apply for a permit as required by this chapter shall constitute a misdemeanor, and shall be punishable as set forth in section 1-3-66.~~

~~Failure to maintain an alarm system in compliance with this chapter, or to otherwise comply with the requirements herein, shall constitute grounds for the suspension or revocation of an alarm permit. The procedures as set forth in section 7-1-15 shall be used in enforcing the City's right to suspend or revoke an alarm permit. Any continued use of an alarm system after a permit for said system is suspended or revoked shall constitute a misdemeanor and shall be punishable as set forth in section 1-3-66.~~

~~For those entities or activities that are required by fire code, State statute, or otherwise, to have an active alarm system in operation, the City will notify the appropriate agency or agencies about the pending discontinuance of the alarm system prior to the suspension or revocation of such an alarm system. No alarm system that is installed in any commercial business, assembly, or multi-family dwelling may be removed or discontinued pursuant to the International Fire Code and International Building Code, as published by the International Code Council, Inc., and as adopted by the South Carolina Building Codes Council.~~

The United States Government, the State, counties, municipal corporations, departments thereof and other governmental entities are exempt from all fees and penalties required by this chapter, ~~provided that the governmental entity must be the owner of the alarm system. In the event the governmental entity contracts with or otherwise arranges with a person, business, or nongovernmental entity for an alarm system, all fees and costs shall be required from the said person, business or nongovernmental entity.~~

~~The making of a false alarm shall constitute a misdemeanor against the alarm user and shall be punishable as follows: Each user is allowed three (3) false alarms during each calendar year at each separately permitted location, for which no fine shall be assessed. Each user shall be subject to a fine of \$100.00 each for the fourth, fifth and sixth false alarms at such location received by the City during such calendar year. Each user shall be subject to a fine of \$200.00 each for the seventh and all subsequent false alarms at such location received by the City during such calendar year. Each user shall be mailed or given a written warning from the Police Department for the first three (3) false alarms during any calendar year.~~

~~Failure of an owner, lessee, manager, or other person pre-designated by the alarm user pursuant to section 7-4-4(c) or section 7-4-5(e), to respond to an alarm activation within thirty (30) minutes or a reasonable time thereafter upon notification by the City Police Department or Fire Department shall constitute a misdemeanor against the alarm user and shall be punishable as follows: Each user shall be subject to a minimum fine of \$100.00 each for the first and second violations. Each user shall be subject to a minimum fine of \$200.00 each for the third and all subsequent violations.~~

Unlawful use of an automatic dialing system in violation of section 7-4-4(g) shall constitute a misdemeanor, and shall be punishable as set forth in Section 1-3-66.

SECTION 2. That this Ordinance take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF October, 2020.

Jimmy Carroll, Mayor

(Seal)

Attest:

City Clerk

First Reading: _____

Second Reading: _____

Ratification: _____

ORDINANCE 2020-14

AN ORDINANCE AMENDING TITLE 7, LICENSING AND REGULATION, CHAPTER 3, BEACH AND MARINE RECREATION ACTIVITIES.

WHEREAS, the Isle of Palms Council is empowered with the authority to make substantive amendments to the Isle of Palms Code, including amending Chapters, and now wishes to do so;

WHEREAS, The Isle of Palms Council believes it is necessary to limit commercial activity on the beach to preserve the quality of life for citizens and to preserve the environment and for the benefit of public safety for its residents and visitors;

WHEREAS, The Isle of Palms Council believes it is also beneficial to the community to provide access to safe, quality surfing instruction during the beach season;

WHEREAS, the Isle of Palms Council now desires to amend Chapter 3, to allow for commercial surfing instruction within limits during the 2021 beach season.

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED THAT TITLE 7, LICENSING AND REGULATION, CHAPTER 3, BEACH AND MARINE RECREATION ACTIVITIES, SHALL BE AMENDED TO READ AS FOLLOWS:

Sec. 7-3-20. - Commercial activities restricted.

No person shall sell or rent, or offer to sell or rent, any goods, merchandise, or services, or solicit any trade or business, on the beach, beach accesses, public parking lots, or the Breach Inlet Bridge, except pursuant to a franchise granted by City Council, or pursuant to a City-sponsored activity or event.

Any commercial photographer or videographer who seeks to take photographs and/or shoot film or video in a professional capacity, must submit an application for a permit no later than fourteen (14) days prior to the shoot and satisfy the requirements to obtain such permit. The City may limit production of these activities at any time it believes it may create disruption on the beach or pose a health/safety risk to the public.

However, a commercial photographer who is not soliciting on the beach, beach accesses, public parking lots, or the Breach Inlet Bridge, will not be required to obtain a permit to implement a prior contract to take still photographs on the beach for a fee. The use of the beach to take still photographs for a fee shall be limited to no more than one (1) hour on the beach per day for this activity.

Any commercial surf instructor with a valid City business license may provide surf lessons without a permit, until October 1, 2021, under the following conditions:

- (a) Areas of surf instruction shall be dictated by the current boundary restrictions stated in the City Ordinances;
- (b) Surf instructions shall be limited to groups of four (4) or less;
- (c) Instruction shall not exceed more than two (2) hours per day;
- (d) All signs, merchandise or other articles that violate Article 7-SIGNS of the City's ordinances are prohibited; and

(e) Solicitation for students on the beach, beach accesses, public parking lots, or the Breach Inlet Bridge is prohibited.

(Code 1994, § 7-3-20; Ord. No. 1988-20, 9-14-1988; Ord. No. 2002-14, § 1, 10-22-2002; Ord. No. 2010-12, § 1, 9-28-2010; Ord. No. 2019-12, § 1, 7-23-2019)

SECTION 2. Should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance take effect on January 1, 2020.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2020

Jimmy Carroll, Mayor

(Seal)

Attest:

Nicole DeNeane, City Clerk

First Reading:

Second Reading:

Ratification:

ORDINANCE 2020-15

AN ORDINANCE AMENDING TITLE 5, PLANNING AND DEVELOPMENT, CHAPTER 4, ARTICLE 8, FLOOD DAMAGE PREVENTION, SECTIONS 5-4-152 THROUGH 5-4-171, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES, TO CHAPTER 4, ZONING, ARTICLE 2, DISTRICT REGULATIONS.

WHEREAS, the Isle of Palms Council is empowered with the authority to make substantive amendments to the Isle of Palms Code, including amending Chapters, and now wishes to do so;

WHEREAS, the City of Isle of Palms, like most municipalities in the Lowcountry, participates in the National Flood Insurance Program (NFIP) and has been notified by FEMA that the City is required to adopt a new Flood Insurance Rate Map (FIRM) to become effective January 29, 2021;

WHEREAS, the Isle of Palms Council now desires to amend Chapter 4, Zoning of the Isle of Palms Code of Ordinances, specifically Article 8, Sections 5-4-152 through 5-4-171 (Flood Damage Prevention).

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED THAT TITLE 5, PLANNING AND DEVELOPMENT, CHAPTER 4, ZONING, ARTICLE 8, BE REPLACED ENTIRELY TO READ AS FOLLOWS:

Sec. 5-4-151. - Statutory authorization.

Pursuant to S.C. Code 1976, § 6-29-710, as amended, the Legislature of the State has delegated the authority to local governments to adopt regulations designed to protect against and secure safety from floods. Therefore, the City Council hereby adopts the provisions set forth in this article.

Sec. 5-4-152. - Findings of fact.

- (a) The flood hazard areas of the City are subject to periodic inundation which can result in loss of life, property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affects the public health, safety and general welfare.
- (b) These flood losses are caused by the cumulative effect of obstructions in floodplains causing increases in flood heights and velocities, and by the occupancy in flood hazard areas by uses vulnerable to floods or hazardous to other lands which are inadequately elevated, floodproofed, or otherwise unprotected from flood damages.

Sec. 5-4-153. - Statement of purpose.

It is the purpose of this article to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

- (1) Restrict or prohibit uses which are dangerous to health, safety and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;
- (2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (3) Control the alteration of natural floodplains, stream channels, and natural protective barriers which are involved in the accommodation of floodwaters; and

- (4) Regulate developments which may increase erosion or flood damage; and, regulate the construction of structures which will unnaturally divert floodwaters which may increase flood hazards to other lands.

Sec. 5-4-154. - Objectives.

The objectives of this article are:

- (1) To protect human life and health;
- (2) To minimize expenditure of public money for costly flood control projects;
- (3) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) To minimize prolonged business interruptions;
- (5) To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;
- (6) To help maintain a stable tax base by providing for the sound use and development of floodprone areas in such a manner as to minimize future flood blight areas;
- (7) To encourage notification to potential real property buyers that a property is located in a special flood hazard area.

Sec. 5-4-155. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Appeal means a request for a review of the Building Official's interpretation of any provisions of this chapter or a request for a variance.

Area of shallow flooding means a designated AO or VO Zone on a community's Flood Insurance Rate Map (FIRM) with base flood depths of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and indeterminate, and where velocity flow may be evident.

Area of special flood hazard means the land in the floodplain within a community subject to a one percent (1%) or greater chance of flooding in any given year.

Base flood means the flood having a one percent (1%) chance of being equaled or exceeded in any given year.

Base flood elevation means the water surface elevations of the base flood as determined by the Federal Insurance Administrator of the National Flood Insurance Program (NFIP).

Basement means any area of the building having its floor subgrade (below ground level) on all sides.

Building means any structure built for support, shelter, or enclosure for any occupancy or storage.

Coastal high hazard area means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources.

Development means any manmade change to improved or unimproved real estate, including, but not limited to, building or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations.

Existing construction means, for the purposes of determining rates, structures for which the start of construction commenced before January 1, 1975.

Expansion to an existing manufactured home park or manufactured home subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, either final site grading or pouring of concrete pads, or the construction of streets). Any expansion is considered new construction.

Fair market value of a structure means:

- (1) The appraised value of the structure prior to the start of the initial repair or improvement; or
- (2) In the case of damage, the appraised value of the structure prior to the damage occurring.

Flood or flooding means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) The overflow of inland or tidal waters;
- (2) The unusual and rapid accumulation of runoff of surface waters from any source.

Flood Hazard Boundary Map (FHBM) means an official map of a community, issued by the Federal Emergency Management Agency (FEMA), where the boundaries of the areas of special flood hazard have been defined as Zone A.

Flood Insurance Rate Map (FIRM) means an official map of a community, on which the Federal Emergency Management Agency (FEMA) has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

Flood Insurance Study means the official report provided by the Federal Emergency Management Agency (FEMA). The report contains flood profiles, as well as the Flood Boundary-Floodway Map and the water surface elevation of the base flood.

Freeboard means a factor of safety usually expressed in feet above a flood level for purposes of flood plain management. "Freeboard" tends to compensate for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood and floodway conditions, such as wave action, bridge openings, and the hydrological effect of urbanization of the watershed.

Functionally dependent use means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term "functionally dependent use" includes only docking or port facilities necessary for the loading and unloading of cargo or passengers, shipbuilding and ship repair facilities. The term "functionally dependent use" does not include long-term storage, manufacture, sales, or service facilities.

Highest adjacent grade means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure means any structure that is:

- (a) Listed individually in the National Register of Historic Places (a listing maintained by the U.S. Department of the Interior (DOI)) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
- (c) Individually listed on a state inventory of historic places;
- (d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified:
 - (1) By an approved state program as determined by the Secretary of Interior, or
 - (2) Directly by the Secretary of Interior in states without approved programs.

Some structures or districts listed on the state or local inventories MAY NOT be "Historic" as cited above, but have been included on the inventories because it was believed that the structures or districts have the potential for meeting the "Historic" structure criteria of the DOI. In order for these structures to meet NFIP historic structure criteria, it must be demonstrated and evidenced that the South Carolina Department of Archives and History has individually determined that the structure or district meets DOI historic structure criteria.

Lowest floor means the lowest floor of the lowest enclosed area, including basement. Any unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of other provisions of this article.

Manufactured home means a structure, transportable in one (1) or more sections, which is built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. It does not include recreational vehicles or travel trailers.

Mean sea level means the average height of the sea for all stages of the tide. It is used as a reference for establishing various elevations within the floodplain. For purposes of this article, the term is synonymous with the National Geodetic Vertical Datum (NGVD) of 1929, North American Vertical Datum (NAVD 88) of 1988, or other datum, to which the base flood elevations shown on a community's Flood Insurance Rate Maps (FIRM) are shown.

National Geodetic Vertical Datum (NGVD), as corrected in 1929, means elevation reference points set by National Geodetic Survey based on mean sea level.

New construction means structures for which the start of construction commenced on or after the effective date of the ordinance from which this article is derived.

New manufactured home park or manufactured home subdivision means a parcel or contiguous parcels of land divided into two (2) or more manufactured home lots for rent or sale for which the construction of facilities for servicing the lot on which the manufactured home is to be affixed (including, at a minimum, the installation of utilities, either final site grading or the pouring of concrete pads, and the construction of streets) is completed on or after the effective date of the ordinance from which this article is derived.

North American Vertical Datum of 1988 (NAVD 88), means a vertical control used as the reference datum on new flood insurance rate maps.

Primary frontal dune means a continuous or nearly continuous mound or ridge of sand with relatively steep seaward and landward slopes immediately landward and subject to erosion and overtopping from high

tides and waves during coastal storms. The inland limit of the primary frontal dune occurs at the point where there is a distinct change from a relatively steep slope to a relatively mild slope.

Recreational vehicle means a vehicle which is:

- (1) Built on a single chassis;
- (2) Four hundred (400) square feet or less when measured at the largest horizontal projection;
- (3) Designed to be self-propelled or permanently towable by a light duty truck; and
- (4) Designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel or seasonal use.

Sand dunes means naturally occurring or manmade accumulations of sand in ridges or mounds landward of the active beach.

Start of construction, for other than new construction and substantial improvements under the Coastal Barrier Resources Act, includes substantial improvement, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within one hundred eighty (180) days of the permit date. The actual start means the first placement of permanent construction of a structure on a site, such as the pouring of slabs or footings, installation of piles, construction of columns, or any work beyond the stage of excavation, or the placement of a manufactured home on a foundation.

Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main building. For substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimension of the building.

Structure means a walled and roofed building that is principally above ground, a manufactured home or a gas or liquid storage tank.

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition equals or exceeds fifty percent (50%) of the fair market value of the structure before the damage occurred.

Substantial improvement means any combination of repairs, reconstruction, alteration, additions or improvements to a structure in which the total cost equals or exceeds fifty percent (50%) of the fair market value of the structure before the start of construction. The term "substantial improvement" does not, however, include either:

- (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications identified by the Building Official which are the minimum necessary to ensure safe living conditions; or
- (2) Any alteration of a structure listed on a National Register of Historic Places or a State Inventory of Historic Places, provided that the alteration will not preclude the structure's continued designation as a historic structure.

Variance means a grant of relief to a property owner from the requirements of this article which permits construction in a manner otherwise prohibited by this article where specific enforcement would result in unnecessary hardship to the owner.

Violation means the failure of a structure or other development to be fully compliant with this article.

Sec. 5-4-156. - Areas in which this article applies.

This article applies to all property in the City identified as areas of special flood hazard by the Federal Emergency Management Agency (FEMA) in its Flood Insurance Study dated January 29, 2021 with accompanying maps and other supporting data.

Sec. 5-4-157. - Basis for establishing the areas of special flood hazard.

The special flood hazard areas identified by the Federal Emergency Management Agency (FEMA) in its Flood Insurance Rate Map (FIRM) and Flood Insurance Study dated January 29, 2021, with all attachments thereto, are hereby adopted by reference and made a part of this article as fully and completely as if set forth herein verbatim.

Sec. 5-4-158. - Establishment of building and/or zoning permit.

A building/zoning permit shall be required in conformance with the provisions of this article prior to the commencement of any development activities.

Sec. 5-4-159. - Compliance.

No structure or land shall hereafter be located, extended, converted, or structurally altered without full compliance with the terms of this article and other applicable regulations.

Sec. 5-4-160. - Abrogation and greater restrictions.

Where this article and any other provision of this Code conflict or overlap, whichever provision imposes the more stringent restrictions shall prevail. If two (2) or more flood zones or base flood elevations transect a structure, the structure shall conform to the most stringent zone and the highest base flood elevation.

Sec. 5-4-161. - Interpretation.

In the interpretation and application of this article, all provisions shall be:

- (1) Considered a minimum requirement;
- (2) Liberally construed in favor of the City Council; and
- (3) Deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 5-4-162. - Partial invalidity and severability.

In the event any section, subsection, sentence, clause or phrase contained in this article shall be declared or adjudicated to be invalid or unconstitutional by a court of competent jurisdiction, all the remaining provisions of this article shall be and remain in full force and effect.

Sec. 5-4-163. - Warning and disclaimer of liability.

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur. Flood heights may be increased by manmade or natural causes. This article does not imply that land outside the areas of special flood hazard or uses permitted within such areas will be free from flooding or flood damage. This article shall not create liability on the part of the City or by any officer or employee thereof for any flood damage that results from reliance on or compliance with this article or any administrative decision made hereunder.

Sec. 5-4-164. - Penalties for violation.

Violation of the provisions of this article or failure to comply with any of its requirements, including violation of conditions and safeguards established in connection with grants of variance or special exceptions, shall constitute a misdemeanor. Any person who violates this article or fails to comply with any of its requirements shall, upon conviction thereof, be punished as provided in section 1-3-66, and in addition shall pay all costs and expenses involved in the case. Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent the City from taking such other lawful action as is necessary to prevent, enjoin or remedy any violation.

Sec. 5-4-165. - Administration; designation of Building Official.

The Building Official is hereby appointed to administer and implement the provisions of this article.

Sec. 5-4-166. - Adoption of letter of map revision (LOMR).

All LOMRs that are issued in the areas identified in section 5-4-156 are hereby adopted.

Sec. 5-4-167. - Permit procedures and certification requirements.

- (a) *Permit:* Application for a building/zoning permit shall be made to the Building Official on forms provided by zoning office, prior to any development activities, and may include, but not be limited to, the following plans in duplicate drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage of materials; drainage facilities, and the location of the foregoing. Specifically, the following information is required:
- (1) Elevation in relation to mean sea level of the proposed lowest floor (including basement) of all structures.
 - (2) Elevation in relation to mean sea level to which any nonresidential structure will be floodproofed.
 - (3) A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure meets the floodproofing criteria in section 5-4-171(c).
 - (4) Description of the extent to which any watercourse will be altered or relocated as a result of proposed development.
- (b) *Certifications:*
- (1) *During construction.* A floor elevation or floodproofing certification is required after the lowest floor is completed, or in instances where the structure is subject to the regulations applicable to coastal high hazard areas, after placement of the horizontal structural members of the lowest floor. Within twenty-one (21) calendar days of establishment of the lowest floor elevation, or floodproofing by whatever construction means, or upon placement of the horizontal structural members of the lowest floor, whichever is applicable, it shall be the duty of the permit holder to submit to the Building Official a certification of the elevation of the lowest floor, floodproofed elevation, or the elevation of the lowest habitable floor, whichever is applicable, as built, in relation to the mean sea level. Said certification shall be prepared by or under the direct supervision of a registered land surveyor or professional engineer and certified by same. When floodproofing is utilized for a particular building, said certification shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. Any work done within the twenty-one (21) calendar day period and prior to submission of the certification shall be at the permit holder's risk. The Building Official shall review the floor elevation survey date submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to further progressive work being permitted to proceed. Failure to submit the survey or failure to

make said corrections required hereby may result in the issuance of a stop work order for the project from the Building Official.

- (2) *As-built certification.* Upon completion of the development a registered professional engineer, land surveyor or architect, in accordance with state law, shall certify according to the requirements section that the development is built in accordance with the submitted plans and previous pre-development certifications.

Sec. 5-4-168. - Duties and responsibilities of the Building Official.

Duties of the Building Official shall include, but not be limited to, the following:

- (1) Review all building and zoning permits to ensure compliance with this article.
- (2) Advise permittees that additional federal or state or city permits may be required, and, if specific federal or state or city permits are known to the Building Official, require that copies of such be provided and maintained on file with the building/zoning permit.
- (3) Notify adjacent communities and the State Coordinator, Flood Mitigation Program, S.C. Land, Water and Conservation Division of the South Carolina Department of Natural Resources prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA).
- (4) Ensure that maintenance is provided within the altered or relocated portion of said watercourse so that the flood-carrying capacity is not diminished.
- (4) Verify and record the actual elevation (in relation to mean seal level) of the lowest floor (including basement) of all new or substantially improved structures, in accordance with section 5-4-167(b).
- (5) Verify and record the actual elevation, in relation to mean sea level, to which the new or substantially improved structures have been floodproofed, in accordance with section 5-4-171(c).
- (6) In coastal high hazard areas, certification shall be obtained from a registered professional engineer or architect that the structure is securely anchored to adequately anchored pilings or columns in order to withstand the effects of wind and water loads acting simultaneously on the building.
- (7) In coastal high hazard areas, the Building Official shall review plans for adequacy of breakaway walls in accordance with section 5-4-171(h)(9).
- (8) When floodproofing is utilized for a particular structure, require certification from a registered professional engineer or architect.
- (9) Where interpretation is needed as to the exact location of boundaries of the areas of special flood hazard (for example, where there appears to be a conflict between a mapped boundary and actual field conditions), make the necessary interpretation.
- (10) When base flood elevation data has not been provided in accordance with section 5-4-157, then the Building Official shall either:
 - a. Obtain, review, and utilize any base flood elevation data available from a federal, state or other source, in order to administer the provisions of sections 5-4-170 and 5-4-171; or

- b. Require the applicant to obtain and reasonably utilize any base flood elevation data available from a federal, state or other source, and to determine the base flood elevation in accordance with accepted hydrologic and hydraulic engineering practices.
- (11) Before a certificate of occupancy is issued for a structure, inspect the premises to ensure that the requirements of this article have been met.
- (12) All records pertaining to the provisions of this article shall be maintained in the Office of the City Clerk and shall be made available for public inspection.

Sec. 5-4-169. - Variance procedures.

- (a) The City's Board of Zoning Appeals shall hear and decide appeals and requests for variances hereunder.
- (b) The Board of Zoning Appeals shall hear and decide appeals when it is alleged that there is an error in any requirements, decisions, or determinations made by the Building Official in the enforcement or administration of this article.
- (c) Any person aggrieved by the decision of the Board may appeal such decision to a court of competent jurisdiction as provided by law.
- (d) Notwithstanding any other provision in this article to the contrary, variances may be issued for repair or rehabilitation of historic structures listed on the National Register of Historic Places or the State Inventory of Historic Places upon a finding by the Board that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.
- (e) In considering appeals or request for variances, the Board shall consider all technical evaluations, all relevant factors, all standards specified in other sections of this article and:
 - (1) The danger that materials may be swept onto other lands to the injury of others;
 - (2) The danger to life and property due to flooding or erosion damage;
 - (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (4) The importance to the community of the services provided by the proposed facility;
 - (5) The necessity to the facility of a waterfront location, where applicable;
 - (6) The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
 - (7) The compatibility of the proposed use with existing and anticipated development;
 - (8) The relationship of the proposed use to the comprehensive plan and flood plan management program for that area;
 - (9) The safety of access to the property during floods for emergency and nonemergency vehicles;
 - (10) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
 - (11) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges.

- (f) The Board may attach such conditions to the granting of a variance hereunder as it deems necessary to further the purposes of this article.
- (g) Variances shall not be issued within any designated regulatory floodway if any increase in flood levels during the base flood discharge would result.
- (h) Requirements for variances:
 - (1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
 - (2) Variances shall only be issued upon:
 - a. A showing of good and sufficient cause;
 - b. A determination that failure to grant the variance would result in exceptional hardship to the applicant; and
 - c. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
 - (3) Any applicant to whom a variance is granted shall be given written notice by the Board that the issuance of a variance to construct a structure below the base flood level will result in substantially increased premium rates for the flood insurance as specified by the Federal law.
 - (4) The City Clerk shall maintain the records of all appeal actions.

Sec. 5-4-170. - General standards.

- (a) In all areas of the City the following provisions are required: - all permit applications shall be reviewed to determine whether proposed building sites will be reasonably safe from flooding.
- (b) All new construction and substantial improvements shall be anchored to prevent flotation, collapse or lateral movement of the structure.
- (c) All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage.
- (d) All new construction and substantial improvements shall be constructed by methods and practices that minimize flood damage.
- (e) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system.
- (f) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into the systems and discharges from the systems into floodwaters.
- (g) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding.
- (h) Any alteration, repair, reconstruction, or improvements to an existing structure which has the lowest floor, including basement, elevated to the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, shall meet the requirements of new construction as contained in sections 5-4-171(a) and (c) of this article.
- (i) Any alteration, repair, reconstruction, or improvements to an existing structure which has the lowest floor, including basement, below the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, shall meet the requirements contained in sections 5-4-171(b) and (d) of this article, provided that no new floor elevation shall be lower than the existing floor elevation.

- (j) Electrical, heating, ventilation, plumbing, air conditioning equipment, and other service facilities shall be designed and/or located so as to prevent water from entering or accumulating within the components during flooding.
- (k) Public utilities and facilities are constructed so as to minimize flood damage and provide adequate drainage.

Sec. 5-4-171. - Specific standards.

In all areas of the City where base flood elevation data has been provided as set forth in section 5-4-157, or section 5-4-168(10), the following provisions are required:

- (a) *Residential new construction.* New construction, of any residential structure shall have the lowest floor, including basement, elevated no lower than the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher. Where permitted, solid foundation perimeter walls used to elevate a structure shall have openings sufficient to facilitate the unimpeded movements of floodwater. The elevation of the lowest floor shall be documented and provided to the Building Official using an elevation certificate in accordance with section 5-4-167(b).
- (b) *Residential substantial improvement or the repair of substantial damage.* Substantial improvement or the repair of substantial damage of any residential structure shall have the lowest floor, including basement, elevated no lower than the base flood elevation. Where permitted, solid foundation perimeter walls used to elevate a structure shall have openings sufficient to facilitate the unimpeded movements of floodwater. The elevation of the lowest floor shall be documented and provided to the Building Official using an elevation certificate in accordance with section 5-4-167(b).
- (c) *Nonresidential new construction.* New construction, of any commercial, industrial, or nonresidential structure shall have the lowest floor, including basement, elevated no lower than the level of the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher. Structures may be floodproofed in lieu of elevation, provided that all areas of the structure below the required elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional engineer or architect shall document and certify to the Building Official that the standards of this subsection are satisfied, using a certificate in accordance with section 5-4-167(b).
- (d) *Nonresidential substantial improvement or the repair of substantial damage.* Substantial improvement or the repair of substantial damage of any commercial, industrial, or nonresidential structure shall have the lowest floor, including basement, elevated no lower than the level of the base flood elevation. Structures located in A zones may be floodproofed in lieu of elevation, provided that all areas of the structure below the required elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional engineer or architect shall document and certify to the Building Official that the standards of this subsection are satisfied, using a certificate in accordance with section 5-4-167(b).
- (e) *Enclosed areas below the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher.* New construction and substantial improvements of elevated buildings that include fully enclosed areas formed by foundation and other exterior walls below the base flood elevation that are usable solely for the parking of vehicles, building access, or storage shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for complying with this requirement must either be certified by a professional engineer or architect or meet the following minimum criteria:

- (1) A minimum of two (2) openings having a total net area of not less than one (1) square inch per square foot of enclosed area subject to flooding shall be provided. For the purpose of compliance with this article, windows are not included.
 - (2) The bottom of all opening shall be no higher than one foot (1') above grade.
 - (3) Openings may be equipped with screens, louvers, valves or other coverings or devices, provided they permit the unimpeded entry and exit of floodwaters.
 - (4) The interior portion of such enclosed area shall not be partitioned or finished into separate rooms.
 - (5) Only the portions of openings that are below the base flood elevation (BFE) can be counted towards the required net open area.
 - (6) Fill placed around foundation walls must be graded so that the grade inside the enclosed area is equal to or higher than the adjacent grade outside the building on at least one (1) side of the building.
- (f) *Temporary structure.* No temporary structures shall be placed in a floodway or coastal high hazard area, or in any area of special flood hazard within the corporate limits of the City unless a permit is obtained from the Zoning Administrator. No such permit shall be issued unless the latest FEMA guidelines regarding such structures are met.
- (g) *Shallow Flooding (AO Zones)* - Located within the areas of special flood hazard established in Article 1.D, are areas designated as shallow flooding. The following provisions shall apply within such areas:
- (1) All new construction and substantial improvements of residential structures shall have the lowest floor elevated to at least as high as the depth number specified on the Flood Insurance Rate Map, in feet, above the highest adjacent grade. If no depth number is specified, the lowest floor shall be elevated at least three (3) feet above the highest adjacent grade.
 - (2) All new construction and substantial improvements of non-residential structures shall:
 - (i) Have the lowest floor elevated to at least as high as the depth number specified on the Flood Insurance Rate Map, in feet, above the highest adjacent grade. If no depth number is specified, the lowest floor shall be elevated at least three (3) feet above the highest adjacent grade; or,
 - (ii) Be completely flood-proofed together with attendant utility and sanitary facilities to or above that level so that any space below that level is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. Certification is required as stated in Article III.D.
 - (3) All structures on slopes must have drainage paths around them to guide water away from the structures.
- (h) *Coastal high hazard areas (V zones).* Located within the areas of special flood hazard established in section 5-4-157 are areas designated as coastal high hazard areas. These areas have special flood hazards associated with wave-wash; therefore, the following provisions shall apply:

- (1) All new construction and substantial improvement shall be located landward of the reach of the mean high tide, first line of stable natural vegetation, and comply with all applicable Department of Health and Environmental Control (DHEC) Ocean and Coastal Resource Management (OCRM) setback requirements.
 - (2) All new construction shall be elevated so that the bottom of the lowest horizontal structural member supporting the lowest floor (excluding pilings or columns) is located no lower than the base flood elevation level or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, with all space below the lowest supporting member open so as not to impede the flow of water. Open lattice work or decorative screening may be permitted for aesthetic purposes only and must be designed to wash away in the event of flood and wave action and in accordance with subsection (e)(9) of this section.
 - (3) All substantial improvements and repairs to substantial damage of any structure shall be elevated so that the bottom of the lowest horizontal structural member supporting the lowest floor (excluding pilings or columns) is located no lower than the base flood elevation with all space below the lowest supporting member open so as not to impede the flow of water. Open lattice work or decorative screening may be permitted for aesthetic purposes only and must be designed to wash away in the event of flood and wave action and in accordance with subsection (e)(9) of this section.
 - (4) All new construction and substantial improvement shall be securely anchored on pilings or columns.
 - (5) All pile and column foundations and structures attached thereto shall be anchored to resist flotation, collapse, and lateral movement due to the effect of wind and water loads acting simultaneously on all building components. Water loading values shall equal or exceed the base flood. Wind loading values shall be in accordance with the latest edition of the building code or One- and Two-Family Dwelling Code adopted by the City.
 - (6) Compliance with provisions contained in subsection (e)(2), (3) and (5) of this section shall be certified by a licensed professional engineer or architect.
 - (7) There shall be no fill used as structural support.
 - (8) There shall be no alteration of sand dunes, which would increase potential flood damage.
 - (9) Lattice work or decorative screening shall be allowed below the base flood elevation provided they are not part of the structural support of the building and are designed so as to break away, under base flood or lesser conditions, without causing collapse, displacement or other structural damage to the elevated portion of the building or supporting foundation system and provided the following design specifications are met:
 - a. No solid walls are allowed; and
 - b. Materials shall consist of open wooden lattice or insect screening.
 - (10) Space enclosed by lattice or screening shall not be used for human habitation.
 - (11) Prior to construction, plans for any structure that will have lattice work or decorative screening must be submitted to the Building Official for approval.
 - (12) Any alteration, repair, reconstruction or improvement to a structure shall not enclose the space below the lowest floor except for lattice work or decorative screening, as provided for in subsection (e)(9) and (10) of this section.
- (i) *Recreational vehicles.* Recreational vehicles placed on lots shall be fully licensed and ready for highway use. A recreational vehicle is ready for highway use if it is on wheels or jacking system,

attached to the site only by quick-disconnect-type utilities and security devices, and has no permanently attached additions.

SECTION 2. Should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance take effect immediately upon approval by Council.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2020.

Jimmy Carroll, Mayor

(Seal)

Attest:

Nicole DeNeane, City Clerk

First Reading: _____

Public Hearing: _____

Second Reading: _____

Ratification: _____

ARTICLE 8. - FLOOD DAMAGE PREVENTION⁴

Footnotes:

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Editor's note— Ord. No. 2017-07, § 1(Exh. A), adopted Apr. 24, 2018, amended Art. 8 in its entirety to read as herein set out. Former Art. 8, §§ 5-4-151—5-4-171, pertained to similar subject matter, and derived from Ord. No. 2015-12, § 1(Exh. A), adopted Oct. 27, 2015.

Sec. 5-4-151. - Statutory authorization.

Pursuant to S.C. Code 1976, § 6-29-710, as amended, the Legislature of the State has delegated the authority to local governments to adopt regulations designed to protect against and secure safety from floods. Therefore, the City Council hereby adopts the provisions set forth in this article.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-152. - Findings of fact.

- (a) The flood hazard areas of the City are subject to periodic inundation which can result in loss of life, property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affects the public health, safety and general welfare.
- (b) These flood losses are caused by the cumulative effect of obstructions in floodplains causing increases in flood heights and velocities, and by the occupancy in flood hazard areas by uses vulnerable to floods or hazardous to other lands which are inadequately elevated, floodproofed, or otherwise unprotected from flood damages.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-153. - Statement of purpose.

It is the purpose of this article to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

- (1) Restrict or prohibit uses which are dangerous to health, safety and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;
- (2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (3) Control the alteration of natural floodplains, stream channels, and natural protective barriers which are involved in the accommodation of floodwaters; and
- (4) Regulate developments which may increase erosion or flood damage; and, regulate the construction of structures which will unnaturally divert floodwaters which may increase flood hazards to other lands.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-154. - Objectives.

The objectives of this article are:

- (1) To protect human life and health;
- (2) To minimize expenditure of public money for costly flood control projects;
- (3) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) To minimize prolonged business interruptions;
- (5) To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;
- (6) To help maintain a stable tax base by providing for the sound use and development of floodprone areas in such a manner as to minimize future flood blight areas;
- (7) To encourage notification to potential real property buyers that a property is located in a special flood hazard area.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-155. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Appeal means a request for a review of the Building Official's interpretation of any provisions of this chapter or a request for a variance.

Area of shallow flooding - a designated AO or VO Zone on a community's Flood Insurance Rate Map (FIRM) with base flood depths of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and indeterminate, and where velocity flow may be evident.

Area of special flood hazard means the land in the floodplain within a community subject to a one percent (1%) or greater chance of flooding in any given year.

Base flood means the flood having a one percent (1%) chance of being equaled or exceeded in any given year.

Base flood elevation means the water surface elevations of the base flood as determined by the Federal Insurance Administrator of the National Flood Insurance Program (NFIP).

Basement means any area of the building having its floor subgrade (below ground level) on all sides.

Building means any structure built for support, shelter, or enclosure for any occupancy or storage.

Coastal high hazard area means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources.

Development means any manmade change to improved or unimproved real estate, including, but not limited to, building or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations.

Existing construction means, for the purposes of determining rates, structures for which the start of construction commenced before January 1, 1975.

Expansion to an existing manufactured home park or manufactured home subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, either final site grading or pouring of concrete pads, or the construction of streets). Any expansion is considered new construction.

Fair market value of a structure means:

- (1) The appraised value of the structure prior to the start of the initial repair or improvement; or
- (2) In the case of damage, the appraised value of the structure prior to the damage occurring.

Flood or flooding means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) The overflow of inland or tidal waters;
- (2) The unusual and rapid accumulation of runoff of surface waters from any source.

Flood Hazard Boundary Map (FHBM) means an official map of a community, issued by the Federal Emergency Management Agency (FEMA), where the boundaries of the areas of special flood hazard have been defined as Zone A.

Flood Insurance Rate Map (FIRM) means an official map of a community, on which the Federal Emergency Management Agency (FEMA) has delineated both the special flood hazard areas and the risk premium zones applicable to the community.

Flood Insurance Study means the official report provided by the Federal Emergency Management Agency (FEMA). The report contains flood profiles, as well as the Flood Boundary-Floodway Map and the water surface elevation of the base flood.

Freeboard means a factor of safety usually expressed in feet above a flood level for purposes of flood plain management. "Freeboard" tends to compensate for the many unknown factors that could contribute to flood heights greater than the height calculated for a selected size flood and floodway conditions, such as wave action, bridge openings, and the hydrological effect of urbanization of the watershed.

Functionally dependent use means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term "functionally dependent use" includes only docking or port facilities necessary for the loading and unloading of cargo or passengers, shipbuilding and ship repair facilities. The term "functionally dependent use" does not include long-term storage, manufacture, sales, or service facilities.

Highest adjacent grade means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure means any structure that is:

- (a) Listed individually in the National Register of Historic Places (a listing maintained by the U.S. Department of the Interior (DOI)) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;
- (c) Individually listed on a state inventory of historic places;

- (d) Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified:
 - (1) By an approved state program as determined by the Secretary of Interior, or
 - (2) Directly by the Secretary of Interior in states without approved programs.

Some structures or districts listed on the state or local inventories MAY NOT be "Historic" as cited above, but have been included on the inventories because it was believed that the structures or districts have the potential for meeting the "Historic" structure criteria of the DOI. In order for these structures to meet NFIP historic structure criteria, it must be demonstrated and evidenced that the South Carolina Department of Archives and History has individually determined that the structure or district meets DOI historic structure criteria.

Lowest floor means the lowest floor of the lowest enclosed area, including basement. Any unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of other provisions of this article.

Manufactured home means a structure, transportable in one (1) or more sections, which is built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. It does not include recreational vehicles or travel trailers.

Mean sea level means the average height of the sea for all stages of the tide. It is used as a reference for establishing various elevations within the floodplain. For purposes of this article, the term is synonymous with the National Geodetic Vertical Datum (NGVD) of 1929, North American Vertical Datum (NAVD 88) of 1988, or other datum, to which the base flood elevations shown on a community's Flood Insurance Rate Maps (FIRM) are shown.

National Geodetic Vertical Datum (NGVD), as corrected in 1929, means elevation reference points set by National Geodetic Survey based on mean sea level.

New construction means structures for which the start of construction commenced on or after the effective date of the ordinance from which this article is derived.

New manufactured home park or manufactured home subdivision means a parcel or contiguous parcels of land divided into two (2) or more manufactured home lots for rent or sale for which the construction of facilities for servicing the lot on which the manufactured home is to be affixed (including, at a minimum, the installation of utilities, either final site grading or the pouring of concrete pads, and the construction of streets) is completed on or after the effective date of the ordinance from which this article is derived.

North American Vertical Datum of 1988 (NAVD 88), means a vertical control used as the reference datum on new flood insurance rate maps.

Primary frontal dune means a continuous or nearly continuous mound or ridge of sand with relatively steep seaward and landward slopes immediately landward and subject to erosion and overtopping from high tides and waves during coastal storms. The inland limit of the primary frontal dune occurs at the point where there is a distinct change from a relatively steep slope to a relatively mild slope.

Recreational vehicle means a vehicle which is:

- (1) Built on a single chassis;
- (2) Four hundred (400) square feet or less when measured at the largest horizontal projection;
- (3) Designed to be self-propelled or permanently towable by a light duty truck; and
- (4) Designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel or seasonal use.

Sand dunes means naturally occurring or manmade accumulations of sand in ridges or mounds landward of the active beach.

Start of construction, for other than new construction and substantial improvements under the Coastal Barrier Resources Act, includes substantial improvement, and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within one hundred eighty (180) days of the permit date. The actual start means the first placement of permanent construction of a structure on a site, such as the pouring of slabs or footings, installation of piles, construction of columns, or any work beyond the stage of excavation, or the placement of a manufactured home on a foundation.

Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main building. For substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimension of the building.

Structure means a walled and roofed building that is principally above ground, a manufactured home or a gas or liquid storage tank.

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition equals or exceeds fifty percent (50%) of the fair market value of the structure before the damage occurred.

Substantial improvement means any combination of repairs, reconstruction, alteration, additions or improvements to a structure in which the total cost equals or exceeds fifty percent (50%) of the fair market value of the structure before the start of construction. The term "substantial improvement" does not, however, include either:

- (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications identified by the Building Official which are the minimum necessary to ensure safe living conditions; or
- (2) Any alteration of a structure listed on a National Register of Historic Places or a State Inventory of Historic Places, provided that the alteration will not preclude the structure's continued designation as a historic structure.

Variance means a grant of relief to a property owner from the requirements of this article which permits construction in a manner otherwise prohibited by this article where specific enforcement would result in unnecessary hardship to the owner.

Violation means the failure of a structure or other development to be fully compliant with this article.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-156. - Areas in which this article applies.

This article applies to all property in the City identified as areas of special flood hazard by the Federal Emergency Management Agency (FEMA) in its Flood Insurance Study dated January 29, 2021 with accompanying maps and other supporting data.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-157. - Basis for establishing the areas of special flood hazard.

The special flood hazard areas identified by the Federal Emergency Management Agency (FEMA) in its Flood Insurance Rate Map (FIRM) and Flood Insurance Study dated January 29, 2021, with all attachments thereto, are hereby adopted by reference and made a part of this article as fully and completely as if set forth herein verbatim.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-158. - Establishment of building and/or zoning permit.

A building/zoning permit shall be required in conformance with the provisions of this article prior to the commencement of any development activities.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-159. - Compliance.

No structure or land shall hereafter be located, extended, converted, or structurally altered without full compliance with the terms of this article and other applicable regulations.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-160. - Abrogation and greater restrictions.

Where this article and any other provision of this Code conflict or overlap, whichever provision imposes the more stringent restrictions shall prevail. If two (2) or more flood zones or base flood elevations transect a structure, the structure shall conform to the most stringent zone and the highest base flood elevation.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-161. - Interpretation.

In the interpretation and application of this article, all provisions shall be:

- (1) Considered a minimum requirement;
- (2) Liberally construed in favor of the City Council; and
- (3) Deemed neither to limit nor repeal any other powers granted under state statutes.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-162. - Partial invalidity and severability.

In the event any section, subsection, sentence, clause or phrase contained in this article shall be declared or adjudicated to be invalid or unconstitutional by a court of competent jurisdiction, all the remaining provisions of this article shall be and remain in full force and effect.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-163. - Warning and disclaimer of liability.

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur. Flood heights may be increased by manmade or natural causes. This article does not imply that land outside the areas of special flood hazard or uses permitted within such areas will be free from flooding or flood damage. This article shall not create liability on the part of the City or by any officer or employee thereof for any flood damage that results from reliance on or compliance with this article or any administrative decision made hereunder.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-164. - Penalties for violation.

Violation of the provisions of this article or failure to comply with any of its requirements, including violation of conditions and safeguards established in connection with grants of variance or special exceptions, shall constitute a misdemeanor. Any person who violates this article or fails to comply with any of its requirements shall, upon conviction thereof, be punished as provided in section 1-3-66, and in addition shall pay all costs and expenses involved in the case. Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent the City from taking such other lawful action as is necessary to prevent, enjoin or remedy any violation.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-165. - Administration; designation of Building Official.

The Building Official is hereby appointed to administer and implement the provisions of this article.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-166. - Adoption of letter of map revision (LOMR).

All LOMRs that are issued in the areas identified in section 5-4-156 are hereby adopted.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-167. - Permit procedures and certification requirements.

(a) *Permit:* Application for a building/zoning permit shall be made to the Building Official on forms provided by him, prior to any development activities, and may include, but not be limited to, the following plans in duplicate drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage of materials; drainage facilities, and the location of the foregoing. Specifically, the following information is required:

- (1) Elevation in relation to mean sea level of the proposed lowest floor (including basement) of all structures.
- (2) Elevation in relation to mean sea level to which any nonresidential structure will be floodproofed.
- (3) A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure meets the floodproofing criteria in section 5-4-171(b).
- (4) Description of the extent to which any watercourse will be altered or relocated as a result of proposed development.

(b) *Certifications:*

- (1) *During construction.* A floor elevation or floodproofing certification is required after the lowest floor is completed, or in instances where the structure is subject to the regulations applicable to coastal high hazard areas, after placement of the horizontal structural members of the lowest floor. Within twenty-one (21) calendar days of establishment of the lowest floor elevation, or floodproofing by whatever construction means, or upon placement of the horizontal structural members of the lowest floor, whichever is applicable, it shall be the duty of the permit holder to submit to the Building Official a certification of the elevation of the lowest floor, floodproofed elevation, or the elevation of the lowest habitable floor, whichever is applicable, as built, in relation to the mean sea level. Said certification shall be prepared by or under the direct supervision of a registered land surveyor or professional engineer and certified by same. When floodproofing is utilized for a particular building, said certification shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same. Any work done within the twenty-one (21) calendar day period and prior to submission of the certification shall be at the permit holder's risk. The Building Official shall review the floor elevation survey date submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to further progressive work being permitted to proceed. Failure to submit the survey or failure to make said corrections required hereby may result in the issuance of a stop work order for the project from the Building Official.
- (2) *As-built certification.* Upon completion of the development a registered professional engineer, land surveyor or architect, in accordance with state law, shall certify according to the requirements section that the development is built in accordance with the submitted plans and previous pre-development certifications.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-168. - Duties and responsibilities of the Building Official.

Duties of the Building Official shall include, but not be limited to, the following:

- (1) Review all building and zoning permits to ensure compliance with this article.
- (2) Advise permittees that additional federal or state or city permits may be required, and, if specific federal or state or city permits are known to the Building Official, require that copies of such be provided and maintained on file with the building/zoning permit.
- (3) Notify adjacent communities and the State Coordinator, Flood Mitigation Program, S.C. Land, Water and Conservation Division of the South Carolina Department of Natural Resources prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency (FEMA).
- (4) Ensure that maintenance is provided within the altered or relocated portion of said watercourse so that the flood-carrying capacity is not diminished.
- (5) Verify and record the actual elevation (in relation to mean seal level) of the lowest floor (including basement) of all new or substantially improved structures, in accordance with section 5-4-167(b).
- (6) Verify and record the actual elevation, in relation to mean sea level, to which the new or substantially improved structures have been floodproofed, in accordance with section 5-4-171(b).
- (7) In coastal high hazard areas, certification shall be obtained from a registered professional engineer or architect that the structure is securely anchored to adequately anchored pilings or columns in order to withstand the effects of wind and water loads acting simultaneously on the building.

- (8) In coastal high hazard areas, the Building Official shall review plans for adequacy of breakaway walls in accordance with section 5-4-171(e)8.
- (9) When floodproofing is utilized for a particular structure, require certification from a registered professional engineer or architect.
- (10) Where interpretation is needed as to the exact location of boundaries of the areas of special flood hazard (for example, where there appears to be a conflict between a mapped boundary and actual field conditions), make the necessary interpretation.
- (11) When base flood elevation data has not been provided in accordance with section 5-4-157, then the Building Official shall either:
 - a. Obtain, review, and utilize any base flood elevation data available from a federal, state or other source, in order to administer the provisions of sections 5-4-170 and 5-4-171; or
 - b. Require the applicant to obtain and reasonably utilize any base flood elevation data available from a federal, state or other source, and to determine the base flood elevation in accordance with accepted hydrologic and hydraulic engineering practices.
- (12) Before a certificate of occupancy is issued for a structure, inspect the premises to ensure that the requirements of this article have been met.
- (13) All records pertaining to the provisions of this article shall be maintained in the Office of the City Clerk and shall be made available for public inspection.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-169. - Variance procedures.

- (a) The City's Board of Zoning Appeals shall hear and decide appeals and requests for variances hereunder.
- (b) The Board of Zoning Appeals shall hear and decide appeals when it is alleged that there is an error in any requirements, decisions, or determinations made by the Building Official in the enforcement or administration of this article.
- (c) Any person aggrieved by the decision of the Board may appeal such decision to a court of competent jurisdiction as provided by law.
- (d) Notwithstanding any other provision in this article to the contrary, variances may be issued for repair or rehabilitation of historic structures listed on the National Register of Historic Places or the State Inventory of Historic Places upon a finding by the Board that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.
- (e) In considering appeals or request for variances, the Board shall consider all technical evaluations, all relevant factors, all standards specified in other sections of this article and:
 - (1) The danger that materials may be swept onto other lands to the injury of others;
 - (2) The danger to life and property due to flooding or erosion damage;
 - (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (4) The importance to the community of the services provided by the proposed facility;
 - (5) The necessity to the facility of a waterfront location, where applicable;

- (6) The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
 - (7) The compatibility of the proposed use with existing and anticipated development;
 - (8) The relationship of the proposed use to the comprehensive plan and flood plan management program for that area;
 - (9) The safety of access to the property during floods for emergency and nonemergency vehicles;
 - (10) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
 - (11) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges.
- (f) The Board may attach such conditions to the granting of a variance hereunder as it deems necessary to further the purposes of this article.
- (g) Variances shall not be issued within any designated regulatory floodway if any increase in flood levels during the base flood discharge would result.
- (h) Requirements for variances:
- (1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
 - (2) Variances shall only be issued upon:
 - a. A showing of good and sufficient cause;
 - b. A determination that failure to grant the variance would result in exceptional hardship to the applicant; and
 - c. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
 - (3) Any applicant to whom a variance is granted shall be given written notice by the Board that the issuance of a variance to construct a structure below the base flood level will result in substantially increased premium rates for the flood insurance as specified by the Federal law.
 - (4) The City Clerk shall maintain the records of all appeal actions .

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-170. - General standards.

- (a) In all areas of the City the following provisions are required: - all permit applications shall be reviewed to determine whether proposed building sites will be reasonably safe from flooding.
- (b) All new construction and substantial improvements shall be anchored to prevent flotation, collapse or lateral movement of the structure.
- (c) All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage.
- (d) All new construction and substantial improvements shall be constructed by methods and practices that minimize flood damage.

- (e) All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of floodwaters into the system.
- (f) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of floodwaters into the systems and discharges from the systems into floodwaters.
- (g) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding.
- (h) Any alteration, repair, reconstruction, or improvements to an existing structure which has the lowest floor, including basement, elevated to the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, shall meet the requirements of new construction as contained in sections 5-4-171(a) and (c) of this article.
- (i) Any alteration, repair, reconstruction, or improvements to an existing structure which has the lowest floor, including basement, below the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, shall meet the requirements contained in sections 5-4-171(b) and (d) of this article, provided that no new floor elevation shall be lower than the existing floor elevation.
- (j) Electrical, heating, ventilation, plumbing, air conditioning equipment, and other service facilities shall be designed and/or located so as to prevent water from entering or accumulating within the components during flooding.
- (k) Public utilities and facilities are constructed so as to minimize flood damage and provide adequate drainage.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Sec. 5-4-171. - Specific standards.

In all areas of the City where base flood elevation data has been provided as set forth in section 5-4-157, or section 5-4-168(11), the following provisions are required:

- (a) *Residential new construction.* New construction, of any residential structure shall have the lowest floor, including basement, elevated no lower than the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher. Where permitted, solid foundation perimeter walls used to elevate a structure shall have openings sufficient to facilitate the unimpeded movements of floodwater. The elevation of the lowest floor shall be documented and provided to the Building Official using an elevation certificate in accordance with section 5-4-167(b).
- (b) *Residential substantial improvement or the repair of substantial damage.* Substantial improvement or the repair of substantial damage of any residential structure shall have the lowest floor, including basement, elevated no lower than the base flood elevation. Where permitted, solid foundation perimeter walls used to elevate a structure shall have openings sufficient to facilitate the unimpeded movements of floodwater. The elevation of the lowest floor shall be documented and provided to the Building Official using an elevation certificate in accordance with section 5-4-167(b).
- (c) *Nonresidential new construction.* New construction, of any commercial, industrial, or nonresidential structure shall have the lowest floor, including basement, elevated no lower than the level of the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher. Structures may be floodproofed in lieu of elevation, provided that all areas of the structure below the required elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional

engineer or architect shall document and certify to the Building Official that the standards of this subsection are satisfied, using a certificate in accordance with section 5-4-167(b).

- (d) *Nonresidential substantial improvement or the repair of substantial damage.* Substantial improvement or the repair of substantial damage of any commercial, industrial, or nonresidential structure shall have the lowest floor, including basement, elevated no lower than the level of the base flood elevation. Structures located in A zones may be floodproofed in lieu of elevation, provided that all areas of the structure below the required elevation are watertight with walls substantially impermeable to the passage of water, using structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional engineer or architect shall document and certify to the Building Official that the standards of this subsection are satisfied, using a certificate in accordance with section 5-4-167(b).
- (e) *Enclosed areas below the base flood elevation or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher.* New construction and substantial improvements of elevated buildings that include fully enclosed areas formed by foundation and other exterior walls below the base flood elevation that are usable solely for the parking of vehicles, building access, or storage shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for complying with this requirement must either be certified by a professional engineer or architect or meet the following minimum criteria:
 - (1) A minimum of two (2) openings having a total net area of not less than one (1) square inch per square foot of enclosed area subject to flooding shall be provided. For the purpose of compliance with this article, windows are not included.
 - (2) The bottom of all opening shall be no higher than one foot (1') above grade.
 - (3) Openings may be equipped with screens, louvers, valves or other coverings or devices, provided they permit the unimpeded entry and exit of floodwaters.
 - (4) The interior portion of such enclosed area shall not be partitioned or finished into separate rooms.
 - (5) Only the portions of openings that are below the base flood elevation (BFE) can be counted towards the required net open area.
 - (6) Fill placed around foundation walls must be graded so that the grade inside the enclosed area is equal to or higher than the adjacent grade outside the building on at least one (1) side of the building.
- (f) *Temporary structure.* No temporary structures shall be placed in a floodway or coastal high hazard area, or in any area of special flood hazard within the corporate limits of the City unless a permit is obtained from the Zoning Administrator. No such permit shall be issued unless the latest FEMA guidelines regarding such structures are met.
- (g) *Shallow Flooding (AO Zones)* - Located within the areas of special flood hazard established in Article 1.D, are areas designated as shallow flooding. The following provisions shall apply within such areas:
 - (1) All new construction and substantial improvements of residential structures shall have the lowest floor elevated to at least as high as the depth number specified on the Flood Insurance Rate Map, in feet, above the highest adjacent grade. If no depth number is specified, the lowest floor shall be elevated at least three (3) feet above the highest adjacent grade.
 - (2) All new construction and substantial improvements of non-residential structures shall:

(i) Have the lowest floor elevated to at least as high as the depth number specified on the Flood Insurance Rate Map, in feet, above the highest adjacent grade. If no depth number is specified, the lowest floor shall be elevated at least three (3) feet above the highest adjacent grade; or,

(ii) Be completely flood-proofed together with attendant utility and sanitary facilities to or above that level so that any space below that level is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. Certification is required as stated in Article III.D.

(3) All structures on slopes must have drainage paths around them to guide water away from the structures.

(h) *Coastal high hazard areas (V zones).* Located within the areas of special flood hazard established in section 5-4-157 are areas designated as coastal high hazard areas. These areas have special flood hazards associated with wave-wash; therefore, the following provisions shall apply:

- (1) All new construction and substantial improvement shall be located landward of the reach of the mean high tide, first line of stable natural vegetation, and comply with all applicable Department of Health and Environmental Control (DHEC) Ocean and Coastal Resource Management (OCRM) setback requirements.
- (2) All new construction shall be elevated so that the bottom of the lowest horizontal structural member supporting the lowest floor (excluding pilings or columns) is located no lower than the base flood elevation level or fourteen (14) feet NGVD (thirteen (13) feet NAVD 88), whichever is higher, with all space below the lowest supporting member open so as not to impede the flow of water. Open lattice work or decorative screening may be permitted for aesthetic purposes only and must be designed to wash away in the event of flood and wave action and in accordance with subsection (e)(9) of this section.
- (3) All substantial improvements and repairs to substantial damage of any structure shall be elevated so that the bottom of the lowest horizontal structural member supporting the lowest floor (excluding pilings or columns) is located no lower than the base flood elevation with all space below the lowest supporting member open so as not to impede the flow of water. Open lattice work or decorative screening may be permitted for aesthetic purposes only and must be designed to wash away in the event of flood and wave action and in accordance with subsection (e)(9) of this section.
- (4) All new construction and substantial improvement shall be securely anchored on pilings or columns.
- (5) All pile and column foundations and structures attached thereto shall be anchored to resist flotation, collapse, and lateral movement due to the effect of wind and water loads acting simultaneously on all building components. Water loading values shall equal or exceed the base flood. Wind loading values shall be in accordance with the latest edition of the building code or One- and Two-Family Dwelling Code adopted by the City.
- (6) Compliance with provisions contained in subsection (e)(2), (3) and (5) of this section shall be certified by a licensed professional engineer or architect.
- (7) There shall be no fill used as structural support.
- (8) There shall be no alteration of sand dunes, which would increase potential flood damage.

- (9) Lattice work or decorative screening shall be allowed below the base flood elevation provided they are not part of the structural support of the building and are designed so as to break away, under base flood or lesser conditions, without causing collapse, displacement or other structural damage to the elevated portion of the building or supporting foundation system and provided the following design specifications are met:
 - a. No solid walls are allowed; and
 - b. Materials shall consist of open wooden lattice or insect screening.
- (10) Space enclosed by lattice or screening shall not be used for human habitation.
- (11) Prior to construction, plans for any structure that will have lattice work or decorative screening must be submitted to the Building Official for approval.
- (12) Any alteration, repair, reconstruction or improvement to a structure shall not enclose the space below the lowest floor except for lattice work or decorative screening, as provided for in subsection (e)(9) and (10) of this section.
- (i) *Recreational vehicles.* Recreational vehicles placed on lots shall be fully licensed and ready for highway use. A recreational vehicle is ready for highway use if it is on wheels or jacking system, attached to the site only by quick-disconnect-type utilities and security devices, and has no permanently attached additions.

(Ord. No. 2017-07, § 1(Exh. A), 4-24-2018)

Secs. 5-4-172—5-4-200. - Reserved.

EMERGENCY ORDINANCE 2020-14

WHEREAS, the 2019 Novel Coronavirus (“COVID-19”) is a respiratory disease that can result in serious illness or death by the SARS-CoV-2 virus, which is a new strain of coronavirus previously unidentified in humans and which can spread from person to person;

WHEREAS, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020;

WHEREAS, on March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic; and,

WHEREAS, the Centers for Disease Control and Prevention (the “CDC”) has warned of the high public health threat posed by COVID-19 globally and in the United States;

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency in the United States for COVID-19 under Section 391 of the Public Health Service Act;

WHEREAS, on March 13, 2020, the President of the United States declared that the COVID-19 outbreak in the United States constitutes a national emergency, which began on March 1, 2020;

WHEREAS, also on March 13, 2020, the Governor of the State of South Carolina (the “State”) issued Executive Order 2020-08, declaring a State of Emergency based on a determination that the COVID-19 poses an actual or imminent public health emergency for the State;

WHEREAS, on March 16, 2020, the Mayor of Isle of Palms issued a Proclamation declaring a State of Emergency for the City of Isle of Palms;

WHEREAS, no vaccine or drug is currently available to cure or combat COVID-19; and,

WHEREAS, the City has determined that it is imperative to reduce social transmission in all areas of the City, including the beach;

WHEREAS, the Governor of the State has subsequently declared a continued State of Emergency in Executive Orders 2020-15 (March 28), 2020-23 (April 12), 2020-29 (April 27), 2020-35 (May 12), 2020-38 (May 27), and 2020-40 (June 11); 2020-48 (July 26); 2020-56 (August 25); 2020-62 (September 24); 2020-67 (October 24);

WHEREAS, the City of Isle of Palms Council adopted Emergency Ordinance 2020-10 on June 26, 2020 requiring the use of face coverings in certain circumstances on the Island effective July 1, 2020 and was subsequently extended by Emergency Ordinance 2020-13;

WHEREAS, the State is experiencing a dramatic increase in the number of identified new COVID-19 cases, and as of November 6, 2020, the South Carolina Department of Health and Environmental Control (“DHEC”) is reporting that there have been 182,872 confirmed COVID-19 cases and 4,005 confirmed COVID-19 deaths in the State;

WHEREAS, if COVID-19 cases continue to increase in the State and in the City of Isle of Palms, the demand for medical, pharmaceutical, personal, and general cleaning supplies may overwhelm sources of supply; the private and public sector work force may be negatively impacted by absenteeism; and the demand for medical facilities may exceed locally available resources;

WHEREAS, health authorities, including the CDC, the Surgeon General of the United States, and DHEC have recommended the use of face coverings as a means of preventing the spread of COVID-19; and

WHEREAS, S.C. Code § 5-7-250(d) provides that “[t]o meet public emergencies affecting life, health, safety or the property of the people, council may adopt emergency ordinances ... by the affirmative vote of at least two-thirds of the members of council present. An emergency ordinance is effective immediately upon its enactment without regard to any reading, public hearing, publication requirements, or public notice requirements. Emergency ordinances shall expire automatically as of the sixty-first day following the date of enactment;”

WHEREAS, Sections 5-7-30 (the “Home Rule Statute”) and 5-7-250 of the South Carolina Code of Laws, as well as the Governor’s Orders, all empower Council to enact emergency ordinances affecting life, health, or safety; and

WHEREAS, in light of the foregoing, the City of Isle of Palms deems it proper and necessary during this state of emergency to allow City Council and any appointed Board or Commission to meet by telephone or other means of electronic communication provided compliance with the provisions of the South Carolina Freedom of Information Act; and,

WHEREAS, this Ordinance has been approved by at least two-thirds of the Councilmembers present at the meeting in which it was considered;

NOW, THEREFORE, be it ordained by the City of Isle of Palms Council as follows:

1. Council and the Mayor formally declare a State of Emergency due to a resurgence in known cases of COVID-19 within the City and surrounding areas.
2. The City of Isle of Palms temporarily suspends the normal operating procedures of City Council meetings and hereby allows for the Mayor and Councilmembers to remotely participate in voting and operational procedures by telephone or other means of electronic communication provided that the provisions of the South Carolina Freedom of Information Act are complied with.
3. The City Administrator is authorized to develop and enact any additional plans in order to ensure continuity in the delivery of government services in light of the COVID-19 outbreak.
4. The City Administrator is authorized to cancel and revoke any special events permits issued prior to the date of this ordinance for events taking place through December 31, 2020.
5. All residents and non-residents shall comply with Social Distancing mandates of the Governor’s Executive Order.
6. Emergency Ordinance 2020-10, an ordinance requiring individuals to wear face coverings in retail and foodservice establishments is extended and shall remain in place through the duration of this emergency ordinance.
7. All Short-Term Rentals on the island will be subject to the Safety Standards and Guidelines provided by the City’s taskforce. The requirements of these Safety Standards shall expire Upon the expiration of the State of Emergency.
8. During the duration of this emergency order, businesses, including but not limited to event spaces, restaurants and bars, shall not allow live entertainment, including but not limited to bands, DJ’s,

Deleted: <#>Local businesses on the island are authorized to purchase, use and distribute containers that do not comply with the City’s plastic ban until October 31, 2020, however, with a grace period to use all remaining stock until November 1, 2020.¶

Deleted: ¶

Deleted: Any person on the beach will be required to maintain social distancing.¶

karaoke, bingo, trivia, contests, or other crowd drawing activity after 11:00pm. This is recognized as a temporary alteration of the City's existing noise ordinance, Section 9-2-5.

9. Restaurants and businesses must comply with Governor McMaster's Emergency Orders and must comply with and adhere to applicable sanitation guidelines promulgated by the CDC, DHEC, or any other state or federal public health officials, as well as relevant industry guidance.
10. Beach parking restrictions on the landside of Palm Boulevard between 21st and 40th Avenue, on one side of 3rd through 9th Avenues, as determined by Police and Fire Department staff; and on Hartnett Boulevard, between 27th and 29th Avenues, will be lifted upon the signing of this emergency ordinance.

Section 2. Penalties. Any violation of any rule or regulation issued and set forth herein shall be punishable as provided in Title 9, Chapter 2, Section 3: Disorderly Conduct of the Code of Ordinances of the City of Isle of Palms, including Section 7-1-15 allowing for suspension or revocation of business license and as a violation of S.C. Code Section 16-7-10 (Illegal acts during state of emergency, or c) any other penalties provided by State law, including penalties granted pursuant to Executive Orders issued by the South Carolina Governor. In addition, the Governor has authorized cities to seek an injunction, mandamus, or other appropriate legal action in the courts of the State. In addition, any violation of any rule or regulation issued and set forth herein as it relates to parking shall be punishable pursuant to Title 8, Chapter 2: Stopping, Standing and Parking of Vehicles.

Section 3. Suspension of Contrary Local Provisions. During the Emergency Term (as defined in Section 12 below), any ordinance, resolution, policy, or bylaw of the City of Isle of Palms that conflicts with the provisions hereof shall be and is hereby suspended and superseded.

Section 4. Expiration of Ordinance; Extension of Emergency Term. As provided by S.C. Code § 5-7-250(d), this Ordinance shall expire automatically as of the sixty-first day following the date of enactment (the "Emergency Term"). Notwithstanding the foregoing, however, Council may extend the Emergency Term by emergency ordinance for one or more additional terms, each of no more than sixty days, provided that the total duration of the Emergency Term shall not exceed six months without enacting an ordinance in the ordinary course.

Section 5. Severability. Should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, or words of this Ordinance as hereby adopted shall remain in full force and effect.

Section 6. Effective Date and Time. This emergency Ordinance shall take effect upon the signing of this Emergency Ordinance.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE 10TH DAY OF NOVEMBER, 2020.

Jimmy Carroll, Mayor

Deleted: During the duration of this emergency order, businesses, including but not limited to event spaces, restaurants and bars shall operate at fifty-percent (50%) occupancy. Council empowers the City Fire Marshall to inspect and issue a citation pursuant to the City's Code of Ordinances, the Emergency Ordinance or any State Executive Order.

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Deleted: <#>All metered parking will be enforced from 8:00 a.m. through 6:00 p.m. until December 12, 2020. ¶

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Resolution No.: R-2020-_____

Authorizing Consumption of beer and wine only and amplified music at

The Holiday Street Festival & Movie on December 5, 2020

WHERE AS, the City of Isle of Palms Recreation Department is hosting the 2020 Holiday Street Festival on Saturday, December 5, 2020 on Ocean Blvd between 10th Ave and Pavilion Ave; and,

WHERE AS, the City of Isle of Palms Recreation Department is requesting permission for the temporary closing and use from 7:00 am and 9:00 p.m. of Ocean Blvd between 10th Ave and Pavilion Ave for set up, clean up, and staging of the event to be held on Saturday December 5, 2020 from 2:00 p.m. to 9:00 p.m.; for patrons to consume beer and wine beverages only at the event during the hours of 2:00 p.m. to 6:00 p.m.; and for crowd control; and,

WHERE AS, it has been determined that such an event would be in the public interest;
NOW, THEREFORE,

BE IT RESOLVED by the Mayor and Council This _____ day of _____, 2020, that possession and consumption of beer and wine beverages and the use of amplified music is authorized on Ocean Blvd between 10th Ave and Pavilion Ave between the hours of 2:00 p.m. and 7:00 p.m. on Saturday, December 5, 2020; and,

BE IT FURTHER RESOLVED that possession and consumption of alcoholic liquors or alcoholic Beverages other than beer and/or wine beverages within the event area is prohibited; and,

BE IT FURTHER RESOLVED that outdoor possession and consumption of beer and wine beverages only, all outdoor musical performances and use of sound-amplifying devices shall end by 6:00 p.m. due to the proximity of the event to residential properties; and,

BE IT FURTHER RESOLVED that all vendors be restricted to stationary location; and,

BE IT FURTHER RESOLVED that only pedestrian traffic will be allowed in the area. All other traffic including, but not limited to, Automobiles, trucks, motorcycles, mopeds, bicycles, skateboards, golf carts, LSVs, except police and fire LSVs, is prohibited; and,

BE IT FURTHER RESOLVED that during the designated times the closed portion of Ocean Blvd is deemed to be the site of a public festival at which only beer and wine beverages may be consumed and the prohibition against possession or consumption of alcoholic beverages set forth in Section 7-2-1 shall not apply as to the possession and consumption of beer and/or wine beverages only.

City Administrator

Mayor

ATTEST:

City Clerk