



Ways & Means Committee Meeting
6:00pm, Tuesday, October 20, 2020
Virtual Meeting via Zoom call due to COVID-19 Pandemic
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to Order

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

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Treasurer Suggs, City Attorneys Copeland and Hinchey, various City Department heads

Also present: Kirby Marshall, ATM

2. Approval of previous meeting's minutes – September 15, 2020

Council Member Moye made a motion to approve the minutes and Streetman seconded the motion. The motion passed unanimously.

3. Citizen's Comments

City Clerk DeNeane read one comment into the record from Wendy Roper, 512 Palm Boulevard, asking that the Committee consider renegotiating the lease with Tidal Wave Sports.

4. Financial Statements – Treasurer Suggs

Treasurer Suggs reviewed the financial reports with Committee members. Noting the end of the first quarter to FY21, Treasurer Suggs reported that City's \$355,000 revenue deficit from FY20 is due to the lack of received tourism revenues from Charleston County. The City is in sound financial shape despite the impacts on tourism revenues.

Expenditures are \$1M over what they were last year, and those expenses are mostly related to the Public Safety Building Rehabilitation project. That project remains under budget and ahead of schedule.

Revenues from Municipal Accommodations Taxes are ahead of budget but only \$32,000 less than at this same time in FY20. The State ATAX payment has not yet been received. Hospitality taxes are done, impacted by the shutdown of Wild Dunes during the summer. Local Option Sales Tax is behind FY20 but ahead of budget.

The \$700,000 contingency for the Public Safety Building remains untouched to this point, and there is \$290,000 remaining in the contingency managed by the City. All that money will be returned to the City upon the project's completion.

There were no expenses for the \$4.5M Marina Dock Rehabilitation Project in September. Administrator Fragoso reported there was a pre-construction meeting earlier in the day. Work on the bulkhead cleaning is set to start November 1. The first shipment of materials for the floating dock is expected in January. She reviewed the upcoming phases of work for the project with Committee members.

No Request for Bids have been issued for the Phase III Drainage Project. The only expenses for this project in September were design related. Administrator Fragoso said that Thomas & Hutton continues to work on permitting and easement issues with regards to this project, and the design work is 80% complete.

5. **Old Business**

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

Administrator Fragoso reviewed the events of Marina Restaurant Lease Timeline beginning in September 2018 through the present. The final version of the contract has been submitted and will be sent to City Council for ratification.

Council Member Pounds highlighted some specifics of the lease agreements with the IOP Families. More specific financial details will be shared at next week's City Council meeting. Council Member Bell noted the "complex and long journey" it took to get to this point in the development of the property. Mayor Carroll encouraged everyone to visit the City's website to review all the project timelines in detail.

6. **New Business**

A. Discussion and consideration of roof repairs to the Public Works workshop to address ceiling condensation issues in an amount not to exceed \$23,000

Administrator Fragoso said this request, approved by the Public Works Committee, will address condensation issues in the ceiling that were not discovered until after the completion of last year's work done to the Public Works workshop. Trident Construction was asked to offer a bid on the project as they are already onsite working on the Public Safety Building. She believes their quote is indicative of them not having to mobilize since they are already on the island. She also indicated they are having trouble securing another quote as required by the City's procurement code.

Asst. Director Asero detailed the scope of work needing to be done for Committee members.

MOTION: Council Member Pounds made a motion to address the ceiling condensation issues in the Public Works workshop in an amount not to exceed \$23,000. Council Member Streetman seconded the motion.

Administrator Fragoso noted this is an unbudgeted expense. She said there is approximately \$13,000 in the Public Works building contingency fund. She would like to use some of the monies in the remaining Public Safety contingency to make up the difference. Mayor Carroll noted the importance of having a third party to oversee projects such as these.

VOTE: The motion passed unanimously.

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

Administrator Fragoso reported that the insurance company supporting Salmon's Dredging had originally quoted \$15,000 as the cost for the Builder's Risk Insurance as approved by City Council. However, since the awarding of the contract, that company has declined to offer the insurance to Salmon's Dredging. She said they have reached out to several companies and not many are willing to insure coastline projects. She shared the best available premium quote they have received to date is \$50,215. The City plans to submit one more quote and application.

Administrator Fragoso shared that ATM reports they have done projects without the builder's risk insurance, but she does not recommend that course of action. She said this insurance covers the project materials and equipment during construction.

MOTION: Council Member Bell made a motion to increase the approved provision for the Builder's Risk Insurance for the Marina Dock Rehabilitation Project by an amount not to exceed \$35,000. Council Member Smith seconded the motion. The motion passed unanimously.

7. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, November 17, 2020 at 6:00pm.

Committee members thanked Attorney Copeland for her work for the City of Isle of Palms.

8. Adjournment

Mayor Carroll made a motion to adjourn and Council Member Pounds seconded the motion. The meeting was adjourned at 6:51pm.

Respectfully submitted,

Nicole DeNeane
City Clerk