



Ways & Means Committee Meeting
6:00pm, Tuesday, January 19, 2021
Virtual Meeting via Zoom call due to COVID-19 Pandemic
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to Order

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

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

2. Election of Chair and Vice Chair

Council Member Popson nominated Council Member Ward as Chair of the Ways and Means Committee. Mayor Carroll seconded the nomination.

Council Member Moyer nominated Council Member Pounds as Chair of the Ways and Means Committee. Council Member Streetman seconded the motion.

Votes were taken as follows:

For Council Member Ward as Chair of the Ways and Means Committee:

Ayes: Popson, Ward, Buckhannon, Carroll

Nays: Bell, Pounds, Streetman, Smith, Moyer.

The motion failed.

For Council Member Pounds as Chair of the Ways and Means Committee:

Ayes: Bell, Popson, Pounds, Streetman, Smith, Moyer, Buckhannon

Nays: Ward, Carroll

The motion passed. Council Member Pounds was elected as Chair of the Ways & Means Committee.

Council Member Buckhannon nominated Council Member Ward as Vice Chair of the Ways & Means Committee. Council Member Popson seconded the motion. The motion passed unanimously. Council Member Ward was elected as Vice Chair of the Ways & Means Committee.

3. **Approval of previous meeting's minutes – November 18, 2020**

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

3. **Citizen's Comments -- none**

4. **Financial Statements – Treasurer Suggs**

Treasurer Suggs reviewed the financial reports with Committee members. She reports that 6 months into the fiscal year the City has fared well despite the COVID lockdowns and restrictions. She forecasts they will beat the budget in many areas. The capital projects fund will be under the expenditure budget by \$2.7M, with most of that being carryover for the Phase III drainage project since most of the work will happen next year.

She added, "There is no forecasted variance in the [tourism fund] budgets on the expenditure side. Digging down into the General Fund revenues, property taxes, local options sales taxes have been running well. We still have some big property tax checks to receive but there is no indication that they will be negatively impacted by COVID."

There could be some impact on business licenses when they renew in the Spring. Rental license revenue has come in over budget. While income from utilities and building permits have also beat the budget, parking revenues have seen a decline.

She reported significant overtime has been posted due to COVID-related illnesses and diagnoses, but the City has received \$72,000 from the CARES Act to help cover those costs. "Year-to-date, we are at 45% versus a target of 50 [percent]."

There is \$3.4M in cash and \$22M in the General Fund versus \$20M at this time last year.

Year-to-date revenues are only \$523,000 less than last year, with \$370,000 of that being the County ATAX pass-through.

Treasurer Suggs reviewed the tourism-related taxes. Municipal ATAX and State ATAX are both coming in over projections, while Hospitality taxes have seen a significant decline.

Some moving and final expenses are still posting on the Public Safety Rehabilitation Project worksheet. The project is expected to come in approximately \$600,000 under budget. There will also be approximately \$250,000 returned to the City from the builder's contingency.

Administrator Fragoso said there are punch list items being tended to by Trident Construction. A new plaque commemorating the updated work done on the Public Safety Building is ready to be placed on the building when all work is complete.

Only engineering-related expenses have been incurred on the Phase III Drainage project to date. Engineering-related expenses and one invoice from Salmon's Dredging have been incurred with regards the Marina Rehabilitation Project.

5. **Old Business –none**

6. **New Business**

A. **In accordance with §1-10-3(c), report on expenditure of \$15,984 to Berkeley Heating and Air for the replacement of a 15-ton HVAC unit in the Recreation Center Gymnasium [FY21 Budget, Capital Projects Fund, Recreation, Capital Outlay - \$15,984]**

Administrator Fragoso reported on the expense of replacing the HVAC unit in the Recreation Center Gymnasium. She said the budget had \$12,000 for this expense, but savings in other areas of the department budget will cover the difference. It was approved as an emergency expense.

B. **Consideration of purchase of two (2) Dodge Durango AWS V6 Pursuit SUVs for the Police Department in the amount of \$30,540 each [FY21 Budget, Capital Projects Fund, Police Capital Outlay - \$41,000 and State Accommodations Tax Fund, Police Capital Outlay - \$41,000]**

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

Administrator Fragoso said these cars are budgeted expenses and their purchase has been recommended by the Public Safety Committee. Chief Cornett said his goal is to move away from sedan-style vehicles and move to SUVs. He said this Dodge Durango will work better for longer in the beach environment. Even with all the upfitting and markings needed, the vehicle purchases will still come in under budget.

Chief Cornett reported that the vehicles are being treated with SaltAway when they come off the beach to help prolong their lives. He said the addition of another Polaris vehicle will keep the cars and SUVs off the beach. Council Member Buckhannon asked the Public Safety Committee to look into the possibility of adding a washout station to the Public Safety Building, similar to the one at Public Works.

VOTE: The motion passed unanimously.

C. **Consideration of proposal from Insight Group to provide construction oversight services during the IOP marina restaurant renovation in the amount of \$14,740 [FY21 Budget, Marina Fund, Professional Services, \$252,000]**

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

Administrator Fragoso shared the work done by the Insight Group on behalf of the City during the Public Safety Rehabilitation Project was very successful. She said this proposal reflects a similar number of work hours for the marina restaurant renovation. She said that exterior restaurant construction expected to begin mid-February and finish at the end of May with the interior construction finishing sometime in early July.

Administrator Fragoso said this expense was not spelled out in the project budget. It is suggested this expense come from Marina Fund Professional Services, which is currently over budget for legal expenses related to the ongoing litigation with the former watersports tenant and expenses associated with the development of the real estate contract. Despite this overage, staff

recommends the expenditure to protect the City's interest. Council members agreed it is a worthy and necessary expense.

VOTE: The motion passed unanimously.

D. Discussion of FY22 budget calendar, revenue forecast, and budget assumptions

Administrator Fragoso reviewed the proposed timeline for preparing, discussing, and approving the FY22 budget. Discussion ensued about the relevancy and ratio of revenue sources to the City.

Council Member Pounds reviewed several budget assumptions with Committee members. He said that while coastal communities have fared well despite COVID restrictions and lockdowns, he did not want the budget to assume any more than pre-COVID/FY19 levels. Council Member Ward agreed with this conservative budgeting approach. The proposed budget will include some assumptions regarding the new Wild Dunes hotel and the marina restaurant. Council Member Moye will report on any industry-related projections shared by the CVB at their upcoming meeting.

Mayor Carroll spoke to the need to address the tax assessment situation regarding the 2.3 acre property at the marina.

7. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, February 16, 2021 at 6pm.

8. Adjournment

Council Member Streetman 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