



**Ways & Means Committee Meeting**  
**6:00pm, Tuesday, July 20, 2021**  
**1207 Palm Boulevard, Isle of Palms, SC 29451**  
**and broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

**MINUTES**

**1. Call to Order**

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

Absent: Council Member Buckhannon

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

**2. Approval of previous meeting's minutes**

Council Member Moye made a motion to approve the minutes of the June 15, 2021 meeting, and Council Member Bell seconded the motion. The motion passed unanimously.

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

**4. Financial Statements – Treasurer Suggs**

Treasurer Suggs reviewed the preliminary and unaudited statements as of June 30, 2021. She noted the auditors would arrive on August 9. She said that the City had a very good year financially. The FY21 budget was very conservative. She noted the strong ATAX activity as well as healthy building permit activity is likely not sustainable. She reminded the Committee of several deferred expenses including the new fire truck and Phase III Drainage. Property taxes have come in slightly above budget at \$4.78M. She anticipates the City will realize approximately \$1.9M in budget overage for FY21. City Council will determine where that overage is placed when the amount is confirmed.

Review of the incoming accommodations, hospitality, and local option sales taxes indicates healthy financial activity on the Isle of Palms. There is still no word from Charleston County as to when the FY21 pass through will be received, but the matter is on the July 27, 2021 County Council Agenda. The County budget does reinstate the FY22 pass through.

Legal expenses are at \$281,000 for FY21, which is much higher than the normal \$90-\$100,000 in legal expenses in a fiscal year.

Treasurer Suggs reviewed the expenses paid out for the Marina Rehabilitation and Phase III Drainage projects.

Mayor Carroll thanked staff for their hard work and continued conservative financial efforts on behalf of the citizens. He encouraged them to remain acting conservatively.

## 5. **Capital Projects Report**

### A. **Marina Restaurant Renovation**

Administrator Fragoso gave an overview of the work that has been completed at the Marina restaurant. A slide detailing all of the work done there can be seen in the YouTube recording of this meeting linked on the City's website. Some of the renovation activities mentioned include the completion of demolition, the start of mechanical, electrical, and plumbing work, and construction of the front gazebo, bar, and outdoor deck area. Materials availability continues to be an issue with the project. However, the steel beams arrived over the weekend. Construction is estimated to be completed in early 2022.

### B. **Marina Docks Rehabilitation**

Administrator Fragoso gave an overview of the work being done on the Marina Docks Rehabilitation Project. A slide detailing all of the work done there can be seen in the YouTube recording of this meeting linked on the City's website. Salmon's has remobilized and the installation of the gangways has begun. Electrical components are proceeding according to plan. Materials availability has put the water connections on hold. Salmons and ATM are collaborating on possible alternative materials.

Salmon's will demolish the Charter docks, install the replacement for that dock, and install a temporary gangway until the restaurant and face docks are fully functional. The fuel hut design has been completed and a permit issued by the Building Department.

Administrator Fragoso shared the high costs of insurance the completed dock with the Committee. Annual premiums could be close to \$500,000. She and Treasurer Suggs are looking into the costs of securing insurance for all other perils and then self-insuring for wind, named storms, and flood damage. Council Member Bell noted that the possible annual premiums far exceed the revenues the City receives from the Marina.

### C. **Phase III Drainage**

Administrator Fragoso gave an overview of the work being done on the Phase III Drainage Project. A slide detailing all of the work done on this project can be seen in the YouTube recording of this meeting linked on the City's website. The easement agreement with Wild Dunes has been executed. 14 permits have been submitted for this project: two have been fully approved, 4 conditionally approved, and 8 are still being processed. Thomas & Hutton continue to express optimism and expect to receive the necessary permits for 30<sup>th</sup> and 36<sup>th</sup> avenues next month. The goal is to begin work on the 30<sup>th</sup> and 36<sup>th</sup> avenues outfalls in the fall/winter of 2021 and 41<sup>st</sup> Avenue outfall in fall 2022.

**D. Phase III Drainage Small Internal Projects**

Administrator Fragoso gave an overview of the work being done on the Phase III Drainage Small Internal Projects. A slide detailing all of the work done on this project can be seen in the YouTube recording of this meeting linked on the City's website. All work on the smaller internal projects was completed on July 15 except for the work at 41<sup>st</sup> Avenue and Forest Trail which will be completed after Labor Day.

**E. Overhead to Underground Conversion**

Administrator Fragoso said she has asked Dominion Energy to expand the scope of work for the project at 41<sup>st</sup> and Waterway Boulevard the relocation of the transformer by the boat ramp and a layout for new lighting at the site. The estimated cost of the project without the expanded scope of work is \$250,000. The cost to engineer the projects will be approximately \$25,000, which the City will need to pay if it decides to not move forward with either project. If the City does move forward with the projects, the engineering costs will be added to the total project construction costs and split with Dominion Energy.

Council Member Smith spoke in support of Council Member Buckhannon's previous idea to set aside more of the user fees for these types of projects.

**6. Old Business**

**Update on the American Rescue Plan and the City's funding allocation**

Council Member Pounds reported that the State has not yet released the monies due to the City from the American Rescue Plan. He believed no further activity would take place on this effort until the fall legislative session.

**7. New Business**

**A. Consideration of recommendation from the ATAX Committee of an application by the Carolina Coast Surf Club, Inc. for funding in the amount of \$1,000 to sponsor real-time camera image of IOP beach and surf conditions [FY22 Budget, State ATAX, General Government, Programs & Sponsorships - \$85,000, pg. 31, ln. 20]**

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

Council Member Moyer said that any link from the City's logo should direct visitors to the island's accommodations.

**B. Consideration of recommendation from the Real Property Committee to approve change order to ATM contract for additional construction administration services for the marina dock rehabilitation project in the amount of \$40,000 [FY22, Marina Fund, Contingency Fund \$355,405]**

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

Administrator Fragoso explained that this contract is for additional administrative services and oversight through the end of the Marina Dock Rehabilitation project, whose completion date has been extended due to a number of reasons including materials shortages and delays as well as the complexity of the project. She noted that ATM has worked without a contract for a couple of months and also worked outside the scope of their original contract to keep the project moving forward.

Kirby Marshall from ATM explained at length the structure of the new contract based on anticipated manhours, but also the work they have completed on the City's behalf since the previous contract expired. They have reviewed 6 bid submittals, many of which were subpar and not meeting the standards of the project's proposed construction. Administrator Fragoso said she is looking into recovering possibly \$7-\$8,000 from the contractor for time spent reviewing these deficient submittals.

Committee members agreed the services of ATM were valuable and necessary. However, they would like to see language included in the contract that addresses costs involved should the project not be completed by mid-November. Administrator Fragoso said that newly updated language reflecting those costs will be available prior to next week's City Council meeting.

**VOTE: The motion passed unanimously.**

**C. Consideration of proposal from Thomas & Hutton in the amount of \$102,200 for bidding and construction oversight of the Phase III Drainage Outfall Project (30<sup>th</sup> & 36<sup>th</sup> avenues) [FY22 Budget, Public Works Department, Capital Projects, Phase III Drainage - \$2,462,000, pg. 21, ln 54]**

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

Administrator Fragoso said this contract is for the bidding and oversight needed for the next phase of the drainage project for which the City should receive approval for next month, anticipating construction to start in the fall. She reported that staff has asked Thomas & Hutton for "more clarity" in the proposal "to fully understand what happens if this project is more than six months." Billing for construction administration services would not begin until the start of construction. Mayor Carroll asked that materials costs be considered in the contract as well.

**VOTE: The motion passed unanimously.**

**D. Discussion and consideration of request from Marker 116 to delay payment of base rent for 2021 (\$40,000) due to delays in construction and opening schedule [FY22 Budget, Marina Fund, Marina Restaurant Lease Income - \$91,667]**

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

Committee members discussed the ways in which such a request could be accommodated. Administrator Fragoso noted that any delay in payment will affect the budget and not meeting

the budget should be a consideration. Council Member Ward spoke with concern about the average citizen not receiving delays in their payments.

**MOTION: Mayor Carroll made a motion amend to allow for the payment of the \$40,000 to be paid out over 12 months from the time of the restaurant opening. Council Member Bell seconded the motion. A vote was taken as follows:**

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

**The motion passed 7-1.**

**VOTE: A vote on the amended motion was taken as follows:**

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

**The motion passed 7-1.**

**8. Miscellaneous Business**

The next meeting of the Ways & Means Committee will be Tuesday, August 17, 2021 at 6pm.

**9. Adjournment**

Council Member Bell made a motion to adjourn and Council Member Moye seconded the motion. The meeting was adjourned at 7:25pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk