



**Ways & Means Committee Meeting
6:00pm, Tuesday, August 17, 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, Buckhannon, and Mayor Carroll

Absent: Council Member Smith

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

2. Approval of previous meeting's minutes

Council Member Streetman made a motion to approve the minutes of the July 20, 2021 meeting, and Mayor Carroll seconded the motion. The motion passed unanimously.

3. Citizen's Comments

MOTION: Council Member Ward made a motion to allow for a presentation from Ryne Phillips of Davis & Floyd regarding the Drainage Master Plan. Mayor Carroll seconded the motion. The motion passed unanimously.

Ryne Phillips, a senior engineer from Davis & Floyd, gave an abbreviated presentation to the Ways & Means Committee that outlines their workplan to complete a Drainage Master Plan for the City. Mr. Philips anticipates the project taking approximately 1 year to complete and the proposed price of \$248,000 is "firm."

Director Kerr added that Davis & Floyd will include the impact of the recently completed small internal drainage projects as part of their plan.

Administrator Fragoso said the City's plan is to continue to pursue small, high-impact drainage projects from the list of projects cultivated by Thomas & Hutton.

4. Financial Statements – Treasurer Suggs

Treasurer Suggs reported that the auditors were onsite last week. The goal is to present the final audited statements for FY21 at the October meeting. No further expenses are expected, but she is currently waiting for three payments to post in FY21. She noted that the bulkhead recoating was reclassified out of expenses and into assets and will be depreciated over time.

There was not much activity for July 2021 other than rental license renewals, parking, and normal expenditures. There is \$25.7M in cash, \$8M of which is restricted.

A review of hospitality taxes continues to show strong economic activity, with most posting higher than pre-COVID receipts.

The Phase III Drainage Project worksheet indicates no new spending on the small projects. It does show the change order for administrative services for Thomas & Hutton approved last month. The Marina Dock Rehabilitation Project worksheet indicates the project is on target for where it is. Legal expenses for FY21 were just under \$281,000 and nearly \$15,000 so far in FY22.

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. Recent work on the building includes joist repair on the first floor and under the building, strapping the 2-story deck, new bar, and new cable rail system; plumbing rough-in throughout the building and electrical rough-in on the first floor. Plans for the new fire sprinkler system are due this week. The HVAC units have been ordered and ductwork installation is anticipated at the end of August. The new metal roofing of the dining area is complete. Anticipated construction completion is end of the year with opening likely in early 2022.

She reported that the City anticipates a bid from Blue Tide, the company performing the parking lot improvements, for the replacement of the damaged and missing dock bumpers and boat fenders on the restaurant portion of the T-dock. The work on the parking lot is expected between August 20 and September 20.

Administrator Fragoso said she recently met with the owner's representative who conducts weekly inspections of the restaurant.

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. A punch list inspection of Dock Area C is scheduled for this week prior to turnover to the Marina Manager. The fire suppression system is nearly complete.

Salmon's will demolish the existing "Charter" dock when the restaurant and face docks are functional and turned over to the Marina Manager. All of the materials to construct these docks (minus the gangways) are at the Salmon's shipyard.

Administrator Fragoso reported that ATM is reviewing the revised submittal of the fuel dock from Structure Marine. A meeting is scheduled for this week to review updated pricing and

identify any issues that may need adjustment. She said, “I have informed the contractor and ATM that the City will not consider any change orders or any additional amounts for the fuel hut.”

Council Member Smith asked about the pump-out system, and Administrator Fragoso said that the Marina Manager has been working on a “hodgepodge” system for some time. The replacement system has been purchased with monies via the Clean Vessel Act, but its installation has been delayed due to project delays.

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. She reported that permits for the Forest Trail and 30th Avenue projects have been fully approved. She also shared that OCRM will likely ask the City to mitigate the 30th Avenue outfall project. Mitigation is estimated to cost \$20-25,000. She said, “The plan is to include it in the bid documents with the 36th Avenue-Forest Trail as an alternate pending permits.”

She reviewed updated project cost estimates with the Committee. Thomas & Hutton are predicting a 100% increase in project costs for 30th and 36th avenues outfalls. Extrapolating those estimates across the entire project assumes the City will need to find funding of over \$4M in excess of the \$3.5M already borrowed. Potential funding sources include 90% of the FY21 General Fund surplus, expected funds from the American Rescue Plan, and the anticipated FY21 County ATAX pass-through. Actual bids for these projects are anticipated this fall. She then reviewed a timeline for the bidding and construction of the 30th and 36th avenues outfalls.

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 portions of these projects are done excepting the work at 41st Avenue and Forest Trail which will be completed after Labor Day. Additional drainage work recently completed at 34th Avenue and Harnett Boulevard has proven to be very successful.

E. Overhead to Underground Conversion

Administrator Fragoso said there are no updates on this project as they are still working through the engineering agreement.

6. Old Business

Discussion of options for allocation of FY21 positive net result and American Rescue Plan 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 reviewed options for the use of the FY21 surplus. He said

some sort of decision is needed tonight to present to City Council next week so the audit can be completed. Committee members agreed that dealing with drainage concerns and the results of the wage and compensation study were key considerations.

MOTION: Council Member Pounds made a motion to put 10% of the surplus in the General Fund and 90% in Capital Projects, with appropriate disbursement to be determined at a later date. Council Member Bell seconded the motion.

MOTION: Council Member Ward made a motion to amend to allow for \$50,000 to be put in reserve for the hiring of a consultant to represent the City in Columbia. Council Member Buckhannon seconded the motion.

After further discussion, Council Member Ward withdrew his motion and Council Member Buckhannon seconded the motion.

MOTION: Council Member Pounds made a motion to amend to put 10% plus \$50,000 of the surplus in the General Fund and the remainder in Capital Projects. Council Member Buckhannon seconded the motion. The motion passed unanimously.

VOTE: The vote on the amended motion passed unanimously.

Council Member Pounds then reviewed some spending options for the monies from the American Rescue Plan. Council Member Bell noted that other municipalities around the state were sending resolutions to Columbia noting their displeasure in the State holding up the disbursement of the monies from the American Rescue Plan. Mayor Carroll said he would discuss the issue further with Mayors Goodwin and O'Neill later this week.

7. New Business

A. Consideration of approval of purchase of replacement Engine 1002 in the amount of \$521,848 [Financed with Municipal Lease, FY22 Budget, Fire Department, Capital Projects - \$525,000, pg. 19, ln. 45]

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

Battalion Chief Eagle explained that this new truck has been modified to their department's specifications and is ready to be brought to the Isle of Palms for service. The purchase of this truck is a budgeted item.

VOTE: The motion passed unanimously.

B. Consideration of approval of purchase of Self-Contained Breathing Apparatus (SCBA) in the amount of \$286,594 and other add-on equipment for pumper truck in the amount of \$57,000 [FY22 Budget, Fire Department, SCBA, \$290,000 funded 1/3 Capital Projects, 1/3 Muni ATAX, 1/3 State ATAX (RFB 2021-06); other add-on equipment, \$57,000]

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

Administrator Fragoso reminded the Committee that the City has been putting money aside for this purchase for several years. She said two bids were received for the purchase and staff is recommending the lowest bid. She added, “The reason why we would like to purchase the Self-Contained Breathing Apparatus and the other equipment is...because we have the ability to take advantage of a provision in the law where firetrucks are exempt from sales tax...and there is a provision there for other equipment that is purchased with the truck to be eligible for that benefit.” She said it will save the City approximately \$60,000.

VOTE: The motion passed unanimously.

C. Consideration of municipal lease for financing of the purchase of the replacement Engine 1002 pumper truck [RPF 2102-02 Fire Truck Lease, BB&T Proposal – 1.60% interest rate, 9-year term]

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

MOTION: Council Member Bell made a motion to amend the lease to include the purchase of the SCBA and other add-on equipment for the fire truck. Council Member Buckhannon seconded the motion. The motion passed unanimously.

VOTE: The vote on the amended motion passed unanimously.

D. Consideration of award of a contract to Davis & Floyd for a comprehensive island-wide drainage master plan in the amount of \$248,000 [FY22 Budget, Public Works, Muni ATAX, \$250,000]

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

E. Discussion and consideration of property insurance options for the new marina docks [FY22 Budget, Marina Enterprise Fund, Marina Operations, Insurance, \$150,000]

Administrator Fragoso reviewed a spreadsheet detailing research done on property insurance options for the new marina docks. Staff recommends moving forward with purchasing insurance from Maritime Program Group in the amount of \$125,778 with a deductible of 5% or a minimum of \$100,000. The policy was reviewed by SCMIRF who provided the City with some clarifying questions to the agent. Maritime Program Group provides insurance for the City Marina.

Administrator Fragoso added that the Real Property Committee discussed the need for a plan to set money aside annually that would allow the City to self-insure the docks in the future.

MOTION: Council Member Ward made a motion to purchase insurance from the Maritime Program Group for the new marina docks in the amount of \$125,778 with a 5% or \$100,000 minimum deductible. Council Member Bell seconded the motion. The motion passed unanimously.

The Committee agreed that the Staff should work on a phased implementation plan leading to the City self-insuring the Marina docks.

8. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, September 21, 2021 at 6pm.

9. Adjournment

Council Member Buckhannon made a motion to adjourn and Council Member Streetman seconded the motion. The meeting was adjourned at 8:03pm.

Respectfully submitted,

Nicole DeNeane
City Clerk