



**Ways & Means Committee Meeting
6:00pm, Tuesday, January 18, 2022
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 Hahn, Bogosian, Anderson, Ward, Streetman, Popson, and Mayor Pounds

Absent: Council Member Miars

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

2. Election of Chair and Vice Chair

MOTION: Council Member Streetman nominated Mayor Pounds as Chair of the Ways & Means Committee. Council Member Bogosian seconded the motion. The motion passed unanimously.

MOTION: Council Member Popson nominated Council Member Ward as Vice Chair of the Ways & Means Committee. Mayor Pounds seconded the motion.

MOTION: Council Member Streetman nominated Council Member Bogosian as Vice Chair of the Ways & Means Committee. Council Member Hahn seconded the motion.

VOTE: A vote for Council Member Ward as Vice Chair of the Ways & Means Committee as follows:

Ayes: Anderson, Bogosian, Popson, Ward

Nays: Hahn, Streetman, Pounds

Council Member Ward was elected as Vice Chair of the Ways & Means Committee.

3. Approval of previous meeting's minutes

Council Member Streetman made a motion to approve the minutes of the November 17, 2021 meeting, and Council Member Popson seconded the motion. The motion passed unanimously.

4. Citizen's Comments -- none

5. Financial Statements – Treasurer Suggs

Treasurer Suggs provided additional explanation of all funds, revenues, expenditures, and schedules for the benefit of new Council members.

As of 12/31/2021, City revenues are approximately \$10M and expenditures are \$8M. General fund revenues are at \$4M and expenditures at \$5M, which is typical for this point in the year due to the receipt of property taxes. She noted that funding sources for the General Fund are running ahead of this time last year except for rental license revenue, which was as a result of the State's Business License Standardization Act.

As of 12/31/21, the City had \$29M in cash (\$5M of which is in the General Fund and \$8M is in Capital Projects).

She said all tourism-related taxes are running well ahead of last year as well as FY19 and FY20.

On the Marina project worksheet, she noted two change orders which were paid out of the City's contingency and one payout from the fund to Salmon's. \$1M plus the remainder of the City's contingency (\$260,000) are left in that fund. Administrator Fragoso added that the City received two grants for this project -- \$27,000 for the pump out station and \$69,000 in support of transient boaters – which will be offset at the completion of the project.

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 restaurant includes: the completion of HVAC duct work, installation of HVAC on the roof, delivery of kitchen hood, near completion of bathroom tile and drywall, installation of RFP in the kitchen and server areas, and completion of interior shiplap and trim. Work on the ceiling grid and exterior pavers starts the week of January 24. The metal roof is nearly complete with trim completed next week. The wood flooring is schedule for install the second week of February. They hope to be open in March. Due to the delay of the walk-in freezer, staff anticipates Marker 116 asking City Council for permission to host a freezer truck in the parking lot until the freezer is installed.

Administrator Fragoso reported that she has received the conceptual plan for the parking lot. Council Member Popson asked if they plan to add a buffer around the utilities, and Director Kerr said there is a plan along the courtyard to separate the outside space from the parking lot.

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.

Administrator Fragoso spoke to some electrical concerns at the docks: "We currently have been dealing with some electrical issues that have impacted power on the restaurant and face docks. The contractor and engineer identified the issue that caused the breaker malfunctioning. It needed to be replaced. We got the replacement, but when the subcontractor went into install the replacement, they discovered that there was some premature corrosion on some of the other parts. So those parts have been ordered. They will be installed. I think there is only one part that

is missing, and they expect it this week. And we will be replacing those to get power up and running so that Brian can start using power in that location. However, I have significant concerns about the long-term reliability of that system. The electrical panel and the electrical system that the City purchased for the contract is supposed to last us 25 years in our current conditions. So it is certainly concerning that eight months in we are seeing corrosion inside the electrical panel. There is no obvious sign of moisture in that area, so it has not been obvious to identify what the root cause is. We certainly want to do that, and then we will have to evaluate what the long-term solution is. The current system has a one-year warranty. We are already eight months in, so that is not acceptable to us. So we clearly want to get it up and running with the replacement of the parts that we know need to be replaced. But long term, we might be looking at requesting transferal to replace the whole panel, if that is what it takes. We certainly don't want to have to hand over to Brian a maintenance issue that is going to be his issue to manage. And if we are buying something that should be lasting us for 25 years, then that is what we want. There are three other electrical panels. This issue seems to be focused on just this one. We have not seen the same issues on the other two, so we think it may be an isolated issue. So I just want to alert you that that is part of the reason why the restaurant and the face docks do not have any power. We think we should be able to get that powered up by this week."

She also reported that the Marina Manager brought up some concerns about the possibility of slipping issues on the metal plates of the gangway which are being address.

The electrical rough-ins of the fuel hut are complete. The roof, windows, and doors will be installed by the end of the week. It is anticipated the hut will be completed by the end of the month.

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 stated that the contract with Quality Enterprises who will be doing the work at the 30th and 36th avenues outfalls has been executed. They have reported lead time issues with supplies which will likely impact the use of the Wild Dunes golf course. They had hoped to be done by the end of March, but the rationing of steel has caused a larger delay than anticipated.

She said, "We are meeting with our engineers and the contractor to identify alternatives that do not result in any additional cost to the City. We might have to address and change the schedule. We're meeting with Wild Dunes tomorrow to see what the options are. It may be that we start with 36th rather than 30th and flip those around. We're actively working on that, and I will report back to you after our meeting with Wild Dunes. We'd rather impact schedule than impact costs, so that is going to be our first goal."

The project for the 41st Avenue outfall is still awaiting the wetland permit, upon which all other project permits are contingent. After discussion with the engineer regarding the options for mitigation required for this portion of the project, it was decided it would be more cost effective

to pay for the credits. Those costs will come before the Committee for approval once they are known.

D. Master Drainage Plan

Administrator Fragoso gave an overview of the work being done on the Master Drainage Plan. 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 project is progressing well and on schedule. Field work is complete. Rainfall and water level monitors have been installed. The assessment and evaluation of the data is underway, and the project is slated for completion by the end of the year.

E. Overhead to Underground Conversion

Administrator Fragoso reported that Dominion Energy is close to having the bore profiles needed for the SCDOT permit and final design drawings. She said this has been taking longer than expected.

The second undergrounding project considered by City Council is a larger project at the City Marina. She said, "Dominion Energy suggests that we also consider removing the transformer that is in the middle of the boat ramp, kind of on its own island, moving that towards the entrance to the marina. And also we would have to replace all the lighting along the marina property in the marina parking lot." It will be worked on in the next fiscal year.

6. **Old Business** -- none

7. **New Business**

A. Discussion of FY23 budget preparation and process

Mayor Pounds reviewed the budget preparation schedule with City Council. He noted that revenues are much better than anticipated and he expected increased revenues with the opening of the restaurant and a full year of the hotel being open.

Administrator Fragoso reminded Council of the anticipated costs associated with the outcome of the Wage & Compensation Analysis that need to be annualized in the budget.

The second portion of the monies from the American Rescue Plan are not expected until September 2022. Mayor Pounds said the City has made official requests for the other federal monies available to state municipalities. He said it would be best to not anticipate those monies in the budget.

Administrator Fragoso said their requests for funding were specific to infrastructure, particularly for the 41st Avenue outfall. She also shared that the budget calendar does have some flexibility should that be needed by Council. Council Member Ward volunteered his time and expertise to help bring new Council members up to speed on the budget process.

B. Report of emergency purchase of replacement of John Deere tractor for the Recreation Department in the amount of \$24,545 [FY22 Budget items deferred to FY23 to cover this expense: \$20,000 Generator set up; \$4,545.78 treadmill replacement]

Mayor Pounds said that two purchases slated for FY22 have been deferred to FY23 to make this purchase possible without any overage. The tractor was bought on the State contract.

C. Report of extension of Builder's Risk through end of March 2022 for Marina Dock project in the amount of \$19,793 [FY22 Budget, Debt proceeds for marina dock rehab project, \$4,300,000]

Mayor Pounds this was to extend the Builder's Risk for the remainder of the project. Administrator Fragoso stated their current insurance provider said this is a good price for the insurance.

D. Report of purchase of 18 sets of anti-exposure suits for water rescues for Fire Department in the amount of \$24,929.24 [FY22 Budget, Muni ATAX, Fire Department, Non-Capital Tools and Equipment, \$26,000, pg. 24, ln. 43] [Procurement Code, Chapter 10, Section 1-10-3(c)]

Administrator Fragoso referred Council members to the three bids received in the meeting packet. The low bid came in under budget.

E. Discussion and consideration of proposal from ATM for the design and engineering of permitted improvements, including ADA gangway, of new public dock, and "T" dock along the Intracoastal Waterway [FY22 Budget, Marina Fund, \$150,000 to convert public dock and greenspace]

MOTION: Council Member Streetman made a motion to discuss, and Council Member Hahn seconded the motion.

Mayor Pounds said this proposal covers the four tasks noted in line items 1, 2.1, 2.2, and 3.1, which is approximately \$57,000.

Administrator Fragoso explained to the Committee the value in doing both Phase 3 and Phase 4 of the Marina Dock project simultaneously. The work for the T-docks was slated for FY24. Between the costs of engineering and design, the regulatory process, and ultimately mobilization and demobilization costs, it is likely more cost effective to do Phase 3 and 4 at the same time.

Council Member Streetman withdrew his motion to discuss, and Council Member Hahn withdrew his second.

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

F. Discussion and consideration of purchasing additional protective clothing for firefighters to be offset, in part, by sale of surplus property

MOTION: Council Member Ward made a motion to approve the purchase of 30 sets of protective gear, and Council Member Anderson seconded the motion.

Administrator Fragoso said that Interim Chief Briscoe brought the industry standard of two sets protective gear per firefighter to her attention. Each set costs approximately \$4,000. She stated that money is set aside in the budget every year to replace the expired suits, but this would be for the purchase of a second set for all firefighters. She said, “The desire would be if the City is going to go forward with having a different policy and having two sets of gear per firefighter that we do it all at once. The replacement schedule is much easier, and that way we can make sure that we outfit everyone with two sets rather than half of them one year and half of them another year.

Council members Anderson and Streetman spoke in favor of the purchase. Council Member Streetman noted that future purchases could be offset by grants.

The suits will be paid for upon delivery, which is currently on an 8-month lead time.

VOTE: The motion passed unanimously.

G. Discussion and consideration of AV improvements for Council Chambers [FY22 Budget, Capital Projects Fund, Green Government, \$65,000]

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

Mayor Pounds said there was no response to the RFP put out for this project in October. He added, “Given our approach already with the RFP, my suggestion would be we go find a company and make this happen without a bid. There are ways and exceptions in the procurement code to make that happen.” He said putting out another RFP would extend an already-too-long process and may not result in any other responses.

Administrator Fragoso shared, “We went through several iterations of what we can change for a separate RFP. Do we go very specific in terms of what we need? We have no idea. We are not AV specialists, which is the reason why the original RFP was pretty broad and pretty general. We do know that there are companies out there that would be willing to do it.” She said allowing staff to identify a qualified, reputable company who can come onsite and understand the needs and concerns of the project will get the project done much more quickly.

VOTE: The motion passed unanimously.

8. Miscellaneous Business

The next meeting of the Ways & Means Committee will be Tuesday, February 15, 2022 at 6pm.

9. Adjournment

Council Member Ward made a motion to adjourn and Council Member Anderson seconded the motion. The meeting was adjourned at 7:44pm.

Respectfully submitted,

Nicole DeNeane
City Clerk