



CITY COUNCIL MEETING
6:00pm, Tuesday, May 24, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Council members Popson, Streetman, Miars, Ward, Anderson, Bogosian, Hahn, Pierce, and Mayor Pounds

Staff Present: Administrator Fragoso, City Attorney Halversen, various department heads

2. Citizen's Comments

Ashley Kellahan, Field Service Manager for MASC, gave a presentation on FOIA and elements of effective meetings.

Patsy Hindman, 7 Barnacle Row, said she believes the proposed cap on short-term rentals favors those people who already have licenses to run such a business. She believes it is biased toward non-resident property owners. She also expressed concern about the changes to the committee structure and reducing the size of City Council. She believes her comments fall on deaf ears. She expressed displeasure in a comment made by Council Member Anderson that she said suggested there were not enough people on the island to serve in government.

Kelly Thorvalson, South Carolina Aquarium, said she has spoken to business owners who have had no issues finding environmentally friendly to go packaging. She asked City Council to ask local businesses to get environmentally friendly to go packaging even if it costs more. She believes customers are okay with the extra cost being passed along to them.

3. Consent Agenda

Approval of Previous Meeting's Minutes: Regular Meeting – 6:00pm, April 26, 2022

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

MOTION: Council Member Ward made a motion to suspend the rules of order so that Personnel Committee's recommendations for appointments to the Accommodations Tax Advisory Committee and the Planning Commission could be discussed first. Mayor Pounds seconded the motion. The motion passed unanimously.

4. **Personnel Committee Recommendations**

MOTION: Council Member Bogosian made a motion to appoint Chrissy Lorenz to the open hospitality seat, Barb Bergwerf to the open cultural seat, and Chas Akers to the open at-large seat on the ATAX Committee, and Jeffrey Rubin to the opening on the Planning Commission. Council Member Ward seconded the motion. The motion passed unanimously.

5. **Reports from Standing Committees**

A. **Ways and Means Committee**

Mayor Pounds reviewed the minutes of May 17, 2022 meeting. He said all general fund revenues predict the City will end the fiscal year with significantly higher revenues than expected. General Fund operating expenses are about 6% ahead of last year but still within budget targets. Total tourism revenues are about \$2M ahead of this time last year. The City has \$31M in cash deposits of which \$3.8M is unspent bond proceeds, \$1M unspent Federal American Rescue Act money, and \$12M restricted for beach preservation.

B. **Public Safety Committee**

Council Member Anderson reviewed the minutes of the May 5, 2022 meeting.

MOTION: Council Member Anderson made a motion to approve the mutual aid agreement with the National Park Service. Council Member Streetman seconded the motion. The motion passed unanimously.

C. **Public Works Committee**

Council Member Ward reviewed the minutes of the May 4, 2022 meeting.

D. **Recreation Committee**

Council Member Popson said there was no Recreation Committee meeting in May. He anticipates the next meeting on Monday, June 6, 2022 at 12:30pm.

E. **Personnel Committee**

Council Member Bogosian reviewed the minutes of the May 3, 2022 regular meeting.

MOTION: Council Member Bogosian made a motion to award the Spirit of the Island award to Jim Thompson. Council Member Streetman seconded the motion. The motion passed unanimously.

The award will be presented to Mr. Thompson at the Exchange Club on Thursday.

Council Member Bogosian asked Council members for their opinions on including a referendum question regarding reducing the size of City Council on the ballot in November. Should the Council wish to move forward with the referendum question, the Personnel Committee will work

on the draft ordinance at their June meeting and bring it to City Council for First Reading at the June meeting.

Council Member Anderson would like Council to finish the workshop test period before deciding to move forward with a reduction in Council.

Council Member Pierce believes the best outcome is to let the voters decide on the size of Council. He said this election will likely be well attended and therefore receive the most input from voters. He believes referendum should be binding.

Council Member Miars also believes it is an issue the voters should decide. She sees no downside to the referendum.

Council Member Streetman said he would like the referendum to be binding. He believes there is plenty of time for the voters to educate themselves on the matter before the November election.

Council Member Popson said he has heard nothing from any voters about changing the size of City Council. He asked what problem is being solved by reducing the size of Council. He also wanted to know why Council is doing this, why is it happening now, and where the idea originated.

Mayor Pounds responded by saying that 98% of the municipalities in the state have 7 or fewer City Council members. He said he was the one who started the conversation in the interest of making the City work more efficiently. He believes there is no downside to putting it on the ballot and letting the voters decide.

Council Member Ward also said he has heard nothing from the public about the issue. He believes matters like this should come via petition from the public. He said it does not matter what everyone else is doing and he will not support the matter.

Council Member Hahn said it will be important to get information to the voters so they can make an informed decision.

Council Member Bogosian said the Personnel Committee will put something together for them to discuss at the June Council meeting.

F. Real Property Committee

Council Member Streetman reviewed the minutes of the May 9, 2022 meeting.

Administrator Fragoso reviewed the elements of the current noise ordinance and gave a brief history of what has brought the issue of the noise agreement with Marker 116, LLC before the Council for consideration. Marker 116 offered a change to the noise control agreement that would increase the complaint threshold to no less than 3 different residents before they would be required to make a change to sound levels. She said a noise control agreement needs to be in place before the restaurant can use loud speakers and amplified music. She noted that this agreement is in addition to the existing noise ordinance requiring music stopping at 10pm Sunday through Thursday and at 11pm Friday and Saturday. The agreement would allow them to “operate loudspeakers and amplify music which currently is not allowed.”

Administrator Fragoso shared that the noise control agreement between the City and Morgan Creek Grill went a long way towards reducing the noise complaints after it was put into place. Council Member Bogosian said that he saw no reason to change the agreement since it worked well in the past. Council Member Miars said Council needs to do something so the restaurant can have amplified music, but noise control needs to be dealt with islandwide.

Administrator Fragoso clarified, “Council can consider approving the original agreement not including the redline that is proposed by the tenants and that would put them in the same position Morgan Creek Grill was for the last three years they operated where there seemed to be issues that seemed to be mitigated. Then you can wait until the Public Safety Committee and Council make some decisions on the noise ordinance in general, and then whatever changes would apply to the noise control agreement would have to be considered, but if there is no action today, then they are not able to have any loudspeakers or amplified music outdoors because they do not have a noise control agreement in place.

MOTION: Council Member Miars made a motion to stay with the original noise control agreement. Council Member Ward seconded the motion. A vote was taken as follows:

Ayes: Miars, Pierce, Popson, Anderson, Bogosian, Ward, Streetman, Pounds

Nays: Hahn

The motion passed 8-1.

6. Reports from City Officers, Boards, and Commissions

A. **Board of Zoning Appeals** – minutes attached

B. **Planning Commission** – minutes attached

Director Kerr updated the Council on the work being done by the Planning Commission regarding short-term rentals on the island. He said the Planning Commission will be able to make its final recommendations following their June 8 meeting. They would like to hold a special joint meeting between Council and Planning Commission to discuss the recommendations.

He said he believed the Commissioners would likely recommend a program similar to that passed by Kiawah Island that establishes a maximum number of short-term rentals in areas that currently have a low number of rentals. He said, “So this program would exempt areas that have a fairly high number of rentals along Ocean Boulevard, Palm Boulevard, condominium complexes, Palmetto Boulevard and Wild Dunes and commercial districts would be exempt, but all other areas would have a new maximum number of short-term rentals established in there which we are calling a cap. Their thought so far is to establish that maximum number or cap at 10% above our current most recent year of that number of rentals.”

Regarding the transfer of business licenses upon the sale of a property, Director Kerr said the Planning Commission believes that not transferring the business license could damage the potential for the plan to survive and “at the end of the day, the migration of rentals is really what causes grief for neighbors. It’s when a new rental comes into their neighborhood that seems to be

what generates the concern, and I think their thought was that if you have a long-range running rental and that property continues to be a rental in the long run, it is less disruptive than that property going off the rental program and a new property that could be in these back neighborhoods coming in the program.”

Short-term rental license holders will be required to show proof of rental income to maintain the license.

Council Member Pierce suggested the Commissioners find out why Kiawah Island decided to not let the business licenses transfer upon the sale of a property. Council Member Hahn suggested Commissioners talk with an attorney about the transfer issue as it could be an equal protection concern.

Director Kerr shared that when Kiawah Island implemented their plan there was not a run on short-term rental licenses.

C. **Accommodations Tax Advisory Committee** – no meeting in May

D. **Environmental Advisory Committee** – no meeting in May

7. **Reports from Special or Joint Committees**

A. **Accommodations Taskforce** – minutes attached

Council Member Streetman reported that the Accommodations Task Force has completed the task assigned to them by City Council. At the June Council meeting, he will formally present their recommendations which include requiring more accountability from the CVB, City support of the new IOP Chamber of Commerce, and City advocacy of changes to the percentage or uses of the 30% ATAX funds.

8. **Petitions Received, Referred or Disposed of** – none

9. **Bills Already in Possession of Council**

A. **Ordinance 2022-01** – an ordinance to raise revenue and adopt a budget for the City of Isle of Palms, South Carolina for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

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

B. **Ordinance 2022-02** – an ordinance to temporarily suspend all regular meeting of standing committees and replace with workshop meetings from July 1, 2022 until December 31, 2022

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

Mayor Pounds said that 80% of state municipalities use the workshop structure. Council Member Bogosian noted that there will be modifications throughout the process to allow for the smaller

work of the Committees like interviewing people for boards and commissions. Council members Anderson, Streetman, and Miars spoke in favor of the workshop structure.

VOTE: A vote was taken as follows:

Ayes: Pierce, Miars, Streetman, Anderson, Bogosian, Hahn, Pounds

Nays: Ward, Popson

The motion passed 7-2.

10. Introduction of New Bills, Resolutions, and Proclamations

A. Ordinance 2022-03 – an ordinance to extend the temporary suspension of enforcement of the plastic ban for businesses impacted by supply chain issues

Mayor Pounds gave a brief timeline review of the suspension of the ordinance. He said he has heard from the business community that they are still experiencing supply chain issues with regards to packaging. He said the current ordinance has a provision that allows for a business to ask City Council for an exception.

Administrator Fragoso said that one of the restaurants suggested that if City Council does not extend the suspension that they allow for a grace period to utilize existing inventory.

MOTION: Council Member Ward made a motion to extend the temporary suspension of the enforcement of the plastics ban to December 31, 2022. Council Member Popson seconded the motion.

Council Member Miars said that when the extension was given the businesses knew of the sunset date of May 17, 2022. She did not agree this is a hardship. Mayor Pounds said that the supply chain issue is still very real and he would like to see a “happy medium” before the end of the year.

MOTION: Mayor Pounds made a motion to amend the date to September 30, 2022. Council Member Streetman seconded the motion.

MOTION: Council Member Anderson made a motion to keep the original sunset date of May 17, 2022 and to begin enforcement of the plastic ban on September 1, 2022. Council Member Pierce seconded the motion.

Council members expressed concern about codifying non-enforcement of a law.

Council Member Anderson withdrew her motion, and Council Member Pierce withdrew his second.

Mayor Pounds withdrew his motion, and Council Member Streetman withdrew his second.

Council Member Ward said he disagreed with the sentiment that businesses should have known this temporary suspension was coming to an end.

VOTE: A vote was taken on the original motion as follows:

Ayes: Popson, Streetman, Ward

Nays: Pierce, Miars, Anderson, Bogosian, Hahn, Pounds

The motion failed 3-6.

MOTION: Council Member Anderson made a motion to hold to the date of May 17, 2022 as the end of the temporary suspension, but allow for a grace period until September 1, 2022. Council Member Hahn seconded the motion.

Council Member Miars said that would be confusing to the public. She said Council is asking the police “to turn their heads.” Council Member Pierce suggested crafting a motion to that allows business owners to use up their current inventory. Administrator Fragoso said that would be harder to enforce since it would not be known if they are using current or new inventory.

Council Member Anderson withdrew her motion, and Council Member Hahn withdrew his second.

MOTION: Council Member Anderson made a motion to suspend the ordinance until September 1, 2022. Mayor Pounds seconded the motion.

Administrator Fragoso clarified that the exception only applies to “those products that businesses can provide at point of sale. It still prohibits the use of these products on the beach.” The distribution of single-use plastic bags is also still prohibited.

VOTE: A vote was taken as follows:

Ayes: Popson, Streetman, Anderson, Bogosian, Hahn, Pounds

Nays: Pierce, Miars, Ward

The motion passed 6-3.

11. Miscellaneous Business

A. Next meeting – Regular Meeting, 6:00pm, Tuesday, May 24, 2022

12. Executive Session

MOTION: Council Member Ward made a motion in accordance with §30-4-70 (a)(2) for the discussion incident to proposed contractual arrangements related to the marina. Council Member Streetman seconded the motion. The motion passed unanimously.

City Council moved into Executive Session at 8:10pm.

City Council returned from Executive Session at 9:36pm. Mayor Pounds said no decisions were made. He said legal counsel should continue negotiations based on the discussions held in Executive Session.

13. Adjournment

Council Member Ward made a motion to adjourn, and Council Member Anderson seconded the motion. The meeting was adjourned at 9:36pm.

Respectfully submitted,

Nicole DeNeane
City Clerk