

CITY COUNCIL

7:00 p.m., Tuesday, June 24, 2014

The regular meeting of City Council was called to order at 7:20 p.m., Tuesday, June 24, 2014 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Ferencz, Harrington and Ward, Mayor Cronin, Administrator Tucker, City Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland. A quorum was present to conduct business. Councilmember Loftus' absence was excused.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act. Clerk Copeland called the roll after a brief invocation and the Pledge of Allegiance to the Flag.

2. Reading of the Journals of Previous Meetings

MOTION: Councilmember Bettelli moved to approve the minutes of the regular meeting of May 27, 2014 and the Special Meeting of June 17, 2014 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Reports from Standing Committees

A. Ways and Means Committee

From the meeting of June 17th, Mayor Cronin stated that in the General Fund revenue is at eighty-six percent (86%) of budget and expenditures are at eighty-eight percent (88%) of budget; the target through eleven (11) months of the fiscal year is ninety-two percent (92%). Property Tax revenue is currently at four million two hundred thirty-six thousand dollars (\$4,236,000), which is fifty-thousand dollars (\$50,000) short of budget; the Mayor noted that the City has receipts for May and June yet to come. For the tourism funds, Municipal Accommodations and Hospitality Taxes are eight percent (8%) greater than FY13; the State Accommodations Taxes and the Charleston County Accommodations Pass-through had no collections in May. There was very little activity in the City's projects, i.e. Phase II Drainage and Beach Restoration. On the subject of the FY15 budget, the Mayor recounted a lengthy discussion on the replacement of the Fire Department's rescue truck and its ISO rating impact; the final decision was to leave it in the budget. The proposed digital sign was removed from the FY15 budget, and staff was charged with working with Stantec on the gateway signage, as well as the signage planned for FY15. Since February, Council has worked on the FY15 budget in committees, Ways and Means and Council meetings; the FY15 budget does not contain a tax increase for the island's residents. He assured IOP's residents that Council and staff will continue to provide the services residents are accustomed to with as low a burden as possible. The budget is on the *Agenda* for Second Reading at this meeting. After the budget, the Committee discussed the renewal and possible amendments to the lease for the Marina Outpost and sent it back to committee to work out the details. In addition, the Committee reviewed the Beach Restoration Act, which is recent legislation that allows the City to add one percent (1%) to accommodations on the island; the money can only be used for beach accesses and preservation of the beaches.

MOTION: Mayor Cronin moved to draft an ordinance, subject to a referendum, that will create the Beach Preservation Fee in line with the act passed by the legislature; Councilmember Carroll seconded, and the motion PASSED UNANIMOUSLY.

MOTION: Mayor Cronin moved to draft an ordinance that will implement the Fairness in Lodging Act, as authorized by the legislature; Councilmember Bergwerf seconded.

The Mayor explained that the act allows the City, by ordinance, to notify people who are renting their property without proper licensing or payment of taxes to the state, county or City and to implement a fine for those actions. The act also allows the City to work with the Department of Revenue on sharing of information relevant to people who are renting without paying the proper taxes.

VOTE: The motion PASSED UNANIMOUSLY.

The next meeting of the Ways and Means Committee will be at 5:45 p.m., Tuesday, July 15th.

Councilmember Ward added that another possible referendum question for November about taking over the maintenance of the roads on the Island. Mayor Cronin indicated that he wanted to have further discussions at the next Ways and Means Committee meeting relative to how it would be funded and the restrictions imposed by the state about how the City could collect and fund it.

- 1. Award of a contract to John Deere, in the amount of \$26,604.55, state contract pricing, for 2 ATVs for the Fire Department, included in the FY15 budget at \$26,620.00.**

MOTION: Mayor Cronin moved to award a contract to John Deere as detailed above; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

- 2. Award of a contract to St. Clair Signs in the amount of \$38,164.36 for 2 digital signs, included in the FY15 budget at \$35,000.**

MOTION: Mayor Cronin moved to reject all bids for the digital signs; Councilmember Ward seconded, and the motion PASSED UNANIMOUSLY.

- 3. Discussion of Moving Public Works Operation to a Location off-island**

Councilmember Ward said that he has been considering relocating the Public Works' functions off-island since he served on Council between 1988 and 1991; he stated that having visitors' first sight of the island as the Public Works facility was unpleasant at a minimum and that a steel-fabricated building could not be constructed on the island today. Before investing thousands of dollars making the site NPDES compliant, he asks that the City investigate the

possibility of moving this function off-island in the future. Councilmember Ward commented that the City could sell the property and the two (2) lots behind it at a major profit.

B. Public Safety Committee

At the meeting of June 5th, the Public Safety Committee also spent time discussing the FY15 budget, particularly the Reservation of Funds policy. The traffic counters will likely not be installed before June 30th; therefore, if not, the funding will be rolled into the FY15 budget. This Committee also discussed the proposed digital signs for the entrances to the island. An addition to the FY15 budget brought before the Committee were the ticket writers that the City purchased for the Police Department and have not been delivered. Although the company has indicated that they have the product, the Public Safety Committee has requested that the vendor attend the next Public Safety Committee meeting. If the City decides to go with another vendor, a placeholder has been put into the budget to pay for ticket writers while the City pursues reimbursement from the original vendor. Following up on concerns expressed by a Councilmember, the Committee discussed the need for an amendment to the animal control ordinance to prohibit the tethering of dogs. Chief Buckhannon expressed the opinion that, if situations of tethering a dog, such that the dog does not have proper food, water and shelter from the sun, charges against the owner/caretaker could be brought under the provision in the City's code under "Ill Treatment of Dogs." Chair Bettelli commented that having a dog on the beach in the heat of the day without sufficient water and/or shade was also cruel; he suggested that more public education was needed. The challenges of ingress and egress from the Island Center also was discussed; although the City Administrator was of the opinion that the configuration as it exists meets SCDOT requirements, she has asked SCDOT to come to the island to observe the problem first-hand. In addition, Councilmember Bettelli stated that golf carts on the sidewalk between 21st Avenue and the shopping center have become a problem, and there have been some near-misses. He anticipates the Police Department will be installing signs saying "NO GOLF CARTS ON SIDEWALKS." He also reminded golf cart owners that driving them on Highway 703/Palm Boulevard is illegal. The Public Safety Committee also unanimously approved the purchase of the ATVs for the Fire Department.

In May, Fire Department personnel responded to one hundred twenty-seven (127) calls; thirty (30) of them were EMS calls. In the first two (2) weeks of May, there were multiple water missions; eighteen (18) people were pulled out of rip currents and, for the month, a total of forty-three (43) were pulled out of rip currents or received other assistance. On May 2nd, personnel responded to a call in Wild Dunes reported as a two and a half (2½) week old baby that had stopped breathing and gone into cardiac arrest; when personnel arrived, the baby was blue and not moving, but Fire Department personnel revived him. Councilmember Bettelli reported that the Disaster Expo had been very successful; he also thanked Bob Maibach for organizing the event.

For the Police Department, Councilmember Bettelli reported that a Bobcat was stolen from Wild Dunes, and it has not yet been located. On May 31st, a safe was stolen from Wild Dunes reported to contain more than thirteen thousand dollars (\$13,000) cash; a suspect has been identified, and the detective is working on leads. A "Meet and Greet" was held May 8th at 3504 Cameron Boulevard; this meeting was at the request of the residents, and fifteen (15) people attended. The first "Coffee with a Cop" was on May 24th at Joe's to Go; officers met with

approximately thirty (30) residents and visitors; the meeting lasted about two (2) hours. Chief Buckhannon reported Memorial Day traffic was not too bad; there were some backups, but the traffic did continue to flow. In addition, the Chief noted that the light at Rifle Range Road and the Connector has been adjusted for summer traffic on and off the island. During the month, dispatchers responded to six thousand one hundred thirty-two (6,132) calls; of that total, four thousand seven hundred ninety-nine (4,799) were for the Police Department. The officers had four hundred fifty (450) traffic stops; one hundred ten (110) stops resulted in tickets being issued. Officers wrote nineteen (19) warnings for noise violations and issued one (1) citation. Since the traffic on the island is challenging this time of year, Councilmember Bettelli urged island residents to be patient and to extra careful on Palm Boulevard. The Police Department has not yet hired the full complement of BSOs; Chief Buckhannon indicated that he was having trouble getting applicants who can meet all of the requirements of the job, i.e. background checks, lie detector tests, drug testing, etc. Chief Graham reported that, on Mother's Day, the island had five (5) wrecks and four (4) water missions in an hour and a half time span.

The next meeting has been scheduled for Thursday, August 7th at 10:00 a.m. in the Conference Room.

Mayor Cronin noted that both the Police and Fire Departments produce monthly reports for City Council. He commented that he was glad that the City has added to the Fire Department staff because, through five (5) months of the year, fire calls are up twenty-four percent (24%) over the average of the prior four (4) years. The Mayor added that, from his observations, calls have not diminished in June.

C. Public Works Committee

Councilmember Ward, reporting on the meeting of June 4th, stated that, on May 23rd, personnel deployed the recycling bins on the beach; they are filling, so the experiment appears to be a big success. Garbage was down about ten (10) tons, and yard debris was up about ten (10) tons. The Committee then had a lengthy discussion of the FY15 budget and the Reservation of Funds policy; the discussion culminated in a motion from Councilmember Ferencz to defer the replacement of the rescue truck to FY16 and to reduce the FY14 and FY15 reservations of funds for the truck to half the purchase price or one hundred fourteen thousand for hundred fifty dollars (\$114,450). In the course of discussion, the Committee agreed to withdraw the motion and to make the motion a recommendation to the Ways and Means Committee. Under "New Business," the Committee discussed complaints from Wild Dunes residents relative to the CAT-operation, which is the claw-fronted vehicle that picks up the debris and puts it in the truck, which is normally a three (3) person operation. Director Pitts has studied the situation and the problem is, in the Director's opinion, the paper bags; with the paper bags, the operator must close the claw at the bottom of the bags to get the bags into the truck; the case in point was on Shad Row where there were approximately one hundred fifty (150) bags at one (1) residence. When the Mayor was informed of the situation, his thoughts that, possibly, the Community Association should hire someone to follow behind the City's crew. On the subject of the additional Front Beach lighting project, which is enthusiastically supported by the Committee, decisions were made for the poles and fixtures; with this done, SCE&G can move forward with the layout, photometrics and estimates cost of the project. SCE&G will be paying half (½) the cost of this project through the Non-standard Service Clause; Treasurer Suggs commented that

the City has budgeted seventy-five thousand dollars (\$75,000) for the undergrounding of lines and fifty thousand dollars (\$50,000) for Front Beach lighting which Mr. Westmoreland of SCE&G has indicated that should be sufficient to complete the project. Councilmember Loftus repeated that he wanted to ensure that the infrastructure in this project will support future lighting enhancements at Front Beach. Director Pitts informed the Committee that 43rd Avenue alley and 45th Avenue alley were paved by the IOP Water and Sewer Commission.

The next Public Works meeting will be at 5:30 p.m. on Wednesday, August 6th in the Conference Room.

D. Recreation Committee

Reporting on the meeting of June 2nd, Councilmember Carroll explained that a minor incident occurred at the Middle School Dance held May 30th and that, over the summer, the Recreation Department staff will take a hard look at the middle school dances to determine whether there is a better way. Adult sports activities have concluded and tournaments were held. The final game in the youth baseball program will be on Monday, June 2nd; thirty-four (34) youths participated; a total of two hundred thirty-one (231) children participated in one (1) of the baseball programs offered by the Recreation Department. Director Page stated that an athletic camp is planned every week of the summer, except the week of July 4th; there will be a soccer camp, basketball camp, multi-sport camp, girls' volleyball and lacrosse camps, and boys' lacrosse camp. Many programs have ended until the fall, but there are also many that will continue through the summer, i.e. BOSU, mah jongg, yoga, and Zumba. The Piccolo Spoleto Sand Sculpting Contest will take place on Saturday, June 7th along Front Beach; more teams have signed up for this year's event than have ever registered this far in advance. All sessions of Camp Summershine are full; counselors reported to work on June 2nd to prepare lesson plans and activities for the eight (8) weeks of camp. Wee Camp for three to five (3-5) year olds is also full and will run simultaneously with Camp Summershine. Director Page reported that the oak trees along 27th Avenue have been planted. The IOP Beach Run will take place on Saturday, July 19th and will again have a 10K run, a 5K run/walk and Youth Fun Runs. In the Recreation Committee's review of the FY15 budget and the Reservations of Fund Balance policy, Councilmember Carroll noted that the Recreation Department's operating budget for FY15 has a three percent (3%) increase, which is the result of increases across all City departments, such as wages, insurance, workers' compensation, retirement, etc. One (1) capital project, rehabilitation of the ball fields, is in the budget; in order to accomplish this in FY15, funding will be evenly divided between the Capital Projects and Recreation Building Funds. Councilmember Harrington brought up the topic of beaches that qualify as approved under the American with Disabilities Act; this generated a good deal of conversation between Committee members and the City Administrator.

The next meeting of the Recreation Committee will be at 10:00 a.m. on Tuesday, August 5th in the Conference Room.

E. Personnel Committee

From the meeting of June 3rd, Councilmember Ferencz reported the first item of business discussed by the Committee was the vacancies on the Planning Commission, Code Board of

Appeals and the Board of Zoning Appeals; members reviewed the applications and interview summaries – not available for all candidates – of the island residents who are in the pool of applicants. The Committee moved to appoint William Mills to the Planning Commission to fill the unexpired term that concludes at the end of the year.

MOTION: Councilmember Ferencz moved to appoint William Mills to the Planning Commission; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

The Committee had a lengthy discussion about the City's committee structure and concluded that, for procedural reasons, committees cannot be expanded. By remaining with three (3) Councilmembers, the committee chair is challenged to have other Councilmembers feel that they have sufficient information on which to base a decision on an issue reviewed and studied by that committee. Currently, only two (2) departments have personnel vacancies; the Recreation Department is looking for a Recreation Supervisor and three (3) part-time recreation assistants. The Police Department expects to hire one (1), possibly two (2), BSOs, one (1) patrol officer and one (1) animal control officer. The Personnel Committee also had a lengthy discussion about the FY15 budget and the Reservations of Funds policy. The Committee also discussed adjustments to frozen wages and adjustments to comparative wage ranges; staff presented several options to the Committee. In the end, the Committee recommended implementing all recommendations until January 1, 2015 and replacing other recommendations with an increase in the minimum and maximum wage ranges for all positions effective January 1, 2015 from forty percent (40%) to fifty percent (50%). The Councilmember reminded the Committee that they were given a timeline in January of goals that the Committee intended to complete in 2014; she noted that, in June, the Committee was to determine measurable goals for calendar year 2015 for City Administrator's position and to create a first draft. The Chair suggested that the Committee begin in July by looking at the City Administrator's evaluation tool. Councilmember Ferencz announced that the following employees were Safety Sweepstakes winners for May: Holly Norton from the Recreation Department, Joseph Ancrum from Public Works, Dylan Reynolds for the Police Department and Chris Fassos from the Fire Department.

The Personnel Committee's next meeting will be at 10:00 a.m., Tuesday, July 1 in the Conference Room.

F. Real Property Committee

In Councilmember Loftus' absence, Administrator Tucker reported on the Committee's meeting of June 10th. The June meeting was a joint meeting with the Planning Commission for the purpose of tasking the Planning Commission with looking at the marina enhancement endeavor and working toward coming up with a comprehensive, multi-disciplinary request for proposals (RFP). Going forward they will be working with the selected consultant on identifying phases for marina enhancement, prioritizing the need and costs of each, as well as doing a *pro forma* showing how the City could pay for those needs and maximize revenues generated at the marina by adjustments to some of the relationships there. This discussion consumed more than half of the two and a half (2½) hour meeting; other contributors to the discussion were some of the marina tenants and consultants John Tarkany and John Shaffer. The Administrator

commented that she expects the Planning Commission to begin their work at the next meeting, which is an indicator of the need to fill the vacant seat. As all other committees, the Real Property Committee took another look at the FY15 budget and Reservations of Funds policy; the Committee also talked about the possible up-coming beach restoration project on the north end of the island. A shoal is attaching which causes dramatic activity until it attaches; as it begins to get closer, the City and the stakeholders have the opportunity to assist Mother Nature by taking that sand that is close and spreading it along the shoreline to restore the beach to a healthy condition. The Committee approved a motion to put two hundred thousand dollars (\$200,000) in the FY15 budget out of money in reserve in the Beach Maintenance Fund. The lease for the Marina Outpost will renew in January 2015; the tenant has expressed a desire to use one (1) of two (2) remaining five-year (5 yr.) extensions. The Committee moved to accept the renewal and to amend the lease to include a detailed list of City-owned property. After subsequent discussions at the Ways and Means meeting, the matter has been sent back to the Committee to work out the amendment details.

The Real Property Committee will hold its next meeting at 5:30 p.m. on Monday, July 7th in the Conference Room.

6. Reports from City Officers, Boards and Commissions

- A. Accommodations Tax Advisory Committee** – no meeting in June
- B. Board of Zoning Appeals** – no meeting in June
- C. Planning Commission** – met with the Real Property Committee
- D. Update on Charleston Visitors Bureau and Charleston Area Regional Transportation Authority**

Mayor Cronin stated that, periodically, the efforts from the Charleston Visitors Bureau (CVB) and on CARTA are reviewed. From the board meeting for the CVB on May 28th, airport passenger traffic is up by eight percent (8%) for the first reporting period of the year. The board approved a budget of thirteen million three hundred thousand dollars (\$13,300,000) for their efforts for the coming year; three and a half million (\$3,500,000) is destination-specific marketing money that was awarded by the state from the twelve million dollars (\$12,000,000) allocated for distribution between the municipalities that can demonstrate, through their own funding, a match of two dollars (\$2) for every dollar. The Travel Council, which is a subset of the CVB, is open for membership to anyone who is in the food, lodging or travel business; therefore, their business gets proper recognition. Participation has increased by over twenty-five percent (25%) since last year. JetBlue has opened its leg between Charleston and Washington, and competing airlines have adjusted their rates accordingly. On June 9th and 10th, the CVB hosted over one hundred fifty (150) international golf tour operators, a fairly large group of people who book golf tours for other people. In their two (2) day stay, they had the opportunity to play the Ocean Course. The CVB is making progress on a vacation rental report; they are trying to get a handle on vacation rental activities in the greater Charleston area and, with cooperation from the College of Charleston, are now producing a report looking at vacation rentals at the Isle of Palms, Folly Beach and Kiawah. If they can get enough participation from property management companies here, they may be able to provide a report that could be island specific; it is a fairly detailed report showing the inventory of bedrooms, one through five (1-5), the number of nights sold, the sold-rate, the average daily rate charged per property, etc.

From information gathered over two (2) years for the three (3) beach communities, the average daily rate vacationers are paying through May of this year is up substantially from last year.

As the City's representative to the CARTA Board, Councilmember Bettelli reported, from the board meeting of June 18th, that Jeff Burns, formerly of the Berkley, Dorchester and Charleston Council of Governments, has been named the interim Executive Director. The Board is working on the FY15 budget; the budget is approximately twenty-eight million five hundred thousand dollars (\$28,500,000). As in the past, the budget will be sent to participating municipalities for approval. On the subject of the North Charleston Intermodal facility, it will be located at the Amtrak location on Gaynor Avenue. A public hearing was held on June 16th to gather input from the residents of that area; questions posed were about the roads nearby and how they would be impacted. The Intermodal facility will serve Amtrak, Southeastern Stage and taxis; at the present time, the Amtrak terminal is only open when a train is arriving or departing. The proposed Intermodal facility will be operating almost twenty-four (24) hours a day and security will be on-site. The current plan is to advertise for bids in April 2015. Councilmember Bettelli reported that all CARTA routes are reviewed on a monthly basis for ridership; ridership for May was four hundred thirty-one thousand two hundred one (431,201), which was an increase of three point nine percent (3.9%) over last year, and revenue was up twenty percent (20%). System-wide cost per passenger was a dollar seventy-three cents (\$1.73); last year's cost was a dollar eighty-one cents (\$1.81). The fare box recovery for the system last month was thirty-six point four percent (36.4%); in public transit systems, the fare recovery approaching thirty percent (30%) is considered to be doing well.

Councilmember Ward stated that he appreciated these two (2) reports, which have not been offered in the past, and they hopes become a regular part of the agenda.

Mayor Cronin commented that the Isle of Palms may be removed from the CARTA board; there are certain requirements under federal law relative to the urban boundary, and that line has been moved requiring an amendment to the charter. Kiawah, Sullivan's Island and the Isle of Palms get no service from CARTA, yet serve on the CARTA board; in order to include Summerville and others, it may be necessary to drop a few or put them in rotation. The outcome is unknown.

Councilmember Carroll voiced the opinion that, in the future, the City must continue to think out-of-the-box when it comes to beach traffic; therefore, he would like to see CARTA bring people to the beach instead of so many cars.

Councilmember Bettelli responded that there had been a CARTA route to the island a couple of years ago; there was very little, if any, use of the route so it was discontinued. Another issue was a loading location in Mount Pleasant where people would be allowed to park.

The Mayor said that he, Councilmembers and staff were well attuned to trying to get people to take other modes of transportation to the beach.

- 7. Reports from Special or Joint Committees – None**
- 8. Petitions Received, Referred or Disposed of – None**

9. Bills Already in Possession of Council

A. Second Reading of Ordinance 2014-03 – 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, 2014 and Ending June 30, 2015.

MOTION: Mayor Cronin moved to amend Ordinance 2014-03 to change to the “pink” budget that received First Reading to the FY15 “purple” version; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

MOTION: Mayor Cronin moved to waive the reading and adopt for Second Reading of Ordinance 2014-03, the budget beginning July 1, 2014 and ending June 30, 2015; Councilmember Bergwerf seconded.

Councilmember Buckhannon noted that this was a good budget and that every year the City was getting closer and closer having to find other revenue generators. The majority of the City's expenses were personnel expenses, and the City's employees did a wonderful job. According to Councilmember Buckhannon, these expenses included a payroll adjustment for the Fire Department, and, since Council felt bad that not all employees got that raise, the City has its own in-house union bosses that managed to automatically expand payroll and to increase wages. The budget impact to this next budget year was approximately twenty-four thousand dollars (\$24,000), but the impact down the road is going to be substantial.

VOTE: The motion FAILED on a tie vote of 4 to 4; Councilmembers Buckhannon, Carroll, Ferencz and Ward cast the dissenting votes.

When asked what the next step should be, Administrator Tucker stated that a member of the dissenting side could make a motion for reconsideration to make recommendations to alterations they would want to make to the “purple” FY15 budget in order to get the job done tonight. The alter-native is to schedule another special meeting; however, if the attendance is the same, the result will likely be the same on this version of the budget unless someone changes his/her mind or could be convinced otherwise between now and the date of the special meeting.

Mayor Cronin stated that he did not want to shut the City down on June 30th.

MOTION: Councilmember Buckhannon moved to reconsider the “purple” version of the FY15 budget; Councilmember Ward seconded and the motion PASSED on a vote of 7 to 1 with Councilmember Bergwerf casting the “nay” vote.

Councilmember Buckhannon referred to page 43 in the budget to the City's contribution of two hundred thousand dollars (\$200,000) to the new beach restoration project. This money would be a transfer from the Beach Maintenance Fund, which was a savings in reserve for future beach maintenance, to the Beach Restoration Fund. He understood that there is a small section on the north end of the island that needs restoration, and he was glad that the City could use some of the new legislation to put funds in reserve for that purpose. He noted that the City

had recently paid off the note for sand and he was reluctant to spend more money on sand at this time.

MOTION: Councilmember Buckhannon moved to reduce the City's contribution to one hundred thousand dollars (\$100,000); Councilmember Ward seconded.

Mayor Cronin noted that the project referred to has been budgeted for one million two hundred sixty-five thousand dollars (\$1,265,000); the City's participation would be twenty percent (20%), or less, which matches the City's participation in the past. This motion represents ten percent (10) of the project and would come from accommodations tax money that comes from the area in question.

Councilmember Buckhannon commented that accommodations tax money comes from the entire island.

VOTE: The motion FAILED on a tie vote of 4 to 4; Councilmember Bettelli, Harrington and Bergwerf and Mayor Cronin voting in opposition to the motion.

Councilmember Ward stated that this was the third year he has worked on the City budget and added that last year was the most frustrating in the years he has served the community. This was because nobody wanted to budge on anything. He noted that the City needed to reduce spending; in his opinion, the City was heading down a tunnel that does not have a light at the end. Next year is a reassessment year, and people he has spoken to give every indication that more revenue, which translates to property tax increase for the residents, is on the table. He stated that this is not the time to raise property taxes because the City's tourism-related funds continue to increase, but the City's spending goes up and up – higher than the revenues that are coming in. Several Councilmembers have offered several adjustments that were not necessarily material to this budget, but it would give citizens the message that City Council is trying to defer and cut expenses as much as possible. Based on his quick calculations, from the "pink" budget to the "purple" budget, expenditures in the General Fund have increased, General Fund transfers have gone down some, Capital Projects Fund expenditures have increased, only Accommodations Tax Fund expenditures have been reduced. He stated that, in his opinion, there have been no negotiations in the budget process; everyone stood firm and would not consider it. He reiterated his earlier statement that the City was headed for a tax increase next year if the City does not reduce expenditures. He understood that tourism funds were used to fund operating expenditures, but that the City could not continue to spend more than it takes in.

MOTION: Councilmember Ward moved to defer the acquisition of the rescue truck to FY16; Councilmember Carroll seconded.

The Mayor acknowledged that this purchase has been discussed *ad nauseam* at last week's Ways and Means meeting; he did not know what additional information could be provided.

Councilmember Bergwerf commented that the money has already been set aside for this vehicle, and, by delaying the purchase, the cost will increase significantly. She questioned that

this would result in a savings to the budget; she suggested that the Front Beach lights be cut from the budget since it would provide a reduction in expenses.

Councilmember Ferencz stated that, in conversations with Chief Graham, the Chief had acknowledged that she could keep the rescue truck running for an additional year with new springs and five to ten thousand dollars (\$5,000-10,000) of repairs; therefore, since the Chief said it could wait, the City should follow the Chief's recommendation.

Mayor Cronin remembered the end of that discussion when the Chief commented again that putting off the purchase for a year will cost the City fifteen percent (15%) more. The Mayor questioned that, if the City put the maintenance into the vehicle and paid fifteen percent (15%) more in a year, how was there a savings in the budget.

In Councilmember Ferencz' opinion, if the repairs are done and the springs replaced, the vehicle would not have to be replaced. She repeated the facts that the truck has only forty thousand (40,000) miles on it and is sixteen (16) years old. The Councilmember voiced confidence that, with the repairs, this vehicle will last two (2) more years, especially since it is not used every day.

Councilmember Carroll remembered that, when the City decided to stop leasing large vehicles for the Police and Fire Departments and to reserve funds for the purchase of them, staff cautioned City Council that the start-up years were going to be rough financially for the City. He stated that this motion was to delay these acquisitions in the first couple of years to allow the City to create the reserves, but to keep the City on a good fiscal track.

Councilmember Harrington asked Chief Graham again speak to Council on the need for this truck since she was the expert. If Council was worried about the impact of reserving the funds to pay for the vehicle, Council should decide to lease it to keep the budget lower.

Councilmember Ward commented that the City cannot do everything that the City wants to do; he stated that he does not see the FY15 budget as a lean budget. He asked for compromise and added that if Council was not willing to compromise, they were not doing their jobs for the citizens.

Counting on her memory, Councilmember Ferencz noted that the City is scheduled to make two (2) major equipment acquisitions in FY15; she indicated that the suggestion was to delay one (1).

Chief Graham acknowledged saying that she could keep the rescue truck running for another year, but the cost to do that is a minimum increase of fifteen percent (15%), and, if it was to be delayed another year, the cost will again increase by a minimum of fifteen percent (15%). The Chief reminded Council that the Fire Department has two (2) ladder trucks and a fire truck on the schedule for replacement following closely behind this truck.

Councilmember Ward expressed disbelief at the increases for this vehicle. Chief Graham said that there was a jump in the price in 2009 and 2010; in addition to the jump of the standard fifteen percent (15%), there was an increased cost because of changes to emissions by the

Environmental Protection Agency (EPA). The 2009 truck that the City now has had a significant increase, but to avoid another jump, the City bought it a couple of months early to avoid a forty thousand dollar (\$40,000) increase over the normal fifteen percent (15%) increase. The Chief commented that the National Fire Protection Association (NFPA) also has changes every year.

Answering Councilmember Ward's question, Chief Graham said that she does not know exactly when the process of large price increases began, but she noted that there are significant changes between 1999, 2003 and the 2009 trucks that are visible to the untrained eye. The Chief recalled that the purchase of the 2009 truck was moved up a year specifically to avoid a major price increase due to changes implemented by both the NFPA and the EPA over the expected fifteen percent (15%) annual increase. The Chief reported that today the cost of a ladder truck exceeds a million dollars (\$1,000,000); the City paid five hundred thousand dollars (\$500,000) for one truck and approximately seven hundred fifty thousand dollars (\$750,000) for the second. Currently small ladder trucks are running over a million dollars (\$1,000,000) and a pumper costs around five hundred thousand dollars (\$500,000); the Chief recalled that the City paid approximately two hundred thirty thousand dollars (\$230,000) for its pumper. Chief Graham stated that these numbers were not her estimates, but prices supplied by the manufacturer.

Councilmember Buckhannon commented that he had taken lead in getting the City to initiate the sinking fund/reservation of funds to purchase large Fire and Public Works vehicles and to stop leasing saving the City tens of thousands of dollars in interest. He agreed that changes needed to be made throughout the budget, but was questioning that this rescue truck should be one (1) of them, but he was opposed to reverting to leasing again.

Mayor Cronin recalled the years spent paying off the prior leases; once the leases were paid off, the City started the sinking fund to make cash purchases for large capital assets.

VOTE: The motion FAILED on a vote of 3 to 5; Councilmembers Bergwerf, Bettelli, Buckhannon and Harrington and Mayor Cronin cast dissenting votes.

Motion: Councilmember Ward moved to defer the \$175,000 budgeted for marina planning for 1 year; Councilmember Carroll seconded.

Mayor Cronin clarified that the motion was to defer all initiatives at the marina for one (1) year; Councilmember Ward agreed.

Councilmember Bergwerf noted that the City has made commitments for some of that money.

Administrator Tucker stated that the City has commitments it is concluding with John Shaffer, but nothing else has been committed from the FY15 budget for the comprehensive master plan for marina enhancements.

Councilmember Bergwerf continued stating that parking was a major issue at the marina, and possibly something could be done about it in the coming budget year. She asked if the amount could be cut in half, leaving some funds to use toward parking improvements; otherwise, if a

project for parking was brought before Council in the coming months would be an out-of-budget expense.

Councilmember Buckhannon commented that parking was not just a marina problem as parking for the marina in the neighborhoods has become an issue for residents. In addition, marina parking in the neighborhoods was also a safety issue; the rights-of-way are not wide enough for people to park four feet (4 ft.) from the pavement.

In Councilmember Carroll's opinion, the fact that there were no exact plans for the money was a good reason to defer for one (1) year. He added that this initiative was not life threatening and the neighbors were upset with the way parking was occurring; he stated that the City should continue to support the Planning Commission in its efforts for the marina.

The Mayor indicated that he would be willing to defer for one (1) year, as long as Council would entertain an out-of-budget expenditure in the course of work that the Planning Commission and the Real Property Committee develop a feasible project in FY15.

Administrator Tucker commented that, if there were no money in the budget for future planning, there would be no money for the consultant to work with the Planning Commission.

Councilmember Buckhannon reminded Council that the Real Property Committee has been working for years trying to put a project together at the marina; the Planning Commission was brought in at the eleventh (11th) hour. The Planning Commission has been tasked to work with the consultant to develop a multi-disciplinary RFP, not to create a plan.

AMENDMENT: Councilmember Ferencz moved to amend the motion to leave in the original \$75,000 budgeted for planning; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

VOTE ON AMENDED MOTION to reduce the funds for planning for future marina enhancements to \$75,000 to be funded equally by tourism funds and the marina fund: The motion PASSED UNANIMOUSLY.

MOTION: Referring to page 54 of the FY15 budget, version 6, Councilmember Ward moved to remove items included on lines 96 through 100 totaling \$156,000; Councilmember Carroll seconded.

Administrator Tucker clarified the motion by listing the items to be deleted included on those lines as:

- The walk-in freezer
- The ice machine (only with failure)
- The HVAC in the store (only with failure)
- The store coolers (only with failure)
- The replacement of the fuel dispensers at the docks (only with failure)

The Mayor posed the question of what would be done if any of these items were to fail.

Councilmember Ward repeated that the tenant has a triple-net lease and the fact that no other tenant in private business on the island gets this deal where the landlord is going to replace its fixtures.

Mayor Cronin hypothesized that, if one (1) of these items was to fail and the responsibility fell to the tenant to replace, the tenant might not be able to compensate the City the way it does now.

Councilmember Bergwerf stated that this is the tenant's lease; therefore, if the HVAC fails, the tenant could sue the City for not fulfilling its responsibilities under the lease.

The Mayor noted that the Real Property Committee has been charged with re-negotiating the lease with whatever amendments they can work out.

Councilmember Bergwerf said that she was not opposed to Councilmember Ward's motion, but she believed that the place to resolve these issues is the lease renewal at January 1, 2015. She stated her opinion that the HVAC system should be the responsibility of the landlord, but the ice machine should be the tenant's responsibility. She added that the tenant walked into a situation where he rented an existing business, and the lease said that the City owned these assets, which is the tenant's position. Things in the lease are negotiable, but the built-in equipment is a different matter.

When asked for her opinion, Attorney Halversen recalled preparing an outline of the items that remain the City's responsibility but did not recall if the items in question were included. She noted that there are items in the lease that belong to the City, but City is not obligated to replace.

Councilmember Ferencz suggested that the discussion leave who is responsible for what and to look at this as a budgetary decision; from that viewpoint she did not know of a reason not to defer these items for a year.

Administrator Tucker stated that, if the lease is negotiated then, even if in the budget, it will not be spent; the money is included in the FY15 budget if the City is not successful negotiating the lease in the way Council wants and one (1) of these items fails. The Administrator added that, if the fuel dispensers at the docks fail July 1, revenues would likely be substantially impacted. The Administrator suggested removing the walk-in freezer and the ice machine from the FY15 budget.

Councilmembers Ward and Carroll withdrew the motion and second respectively.

Councilmember Ward commented that he is hopeful that the City will negotiate the upcoming lease without including these items.

MOTION: Councilmember Carroll moved to defer for 1 year the Front Beach fencing and to review having fencing in front of 2 private properties; Councilmember Ward seconded.

As a member of the Real Property Committee, Councilmember Bergwerf stated that the replacement was not a safety issue, but that the fencing has deteriorated and will continue to do so.

Councilmember Buckhannon stated that the fencing is steel that has rusted and was to be replaced with aluminum fencing that has a longer lifespan. He recalled that using aluminum actually reduced the cost to approximately thirty-five thousand dollars (\$35,000).

Councilmember Carroll commented that there were two hundred seventy feet (270 ft.) of fencing that runs along the parking lot, the non-City-owned parking lot across from the Windjammer, and the Seaside condominiums; these are not City-owned properties, but the City placed fencing in front of them.

Councilmember Bergwerf explained that the fencing is on City-owned property and was included in the Front Beach improvement project. Acknowledging that the goal is to reduce the budget, but deferring things to FY16 only allows for further deterioration and increased costs.

Mayor Cronin suggested removing the fencing in front of the Windjammer and at Seaside condos. Administrator Tucker indicated that she is unsure whether the vegetation growing in the fence was planted as part of the project.

VOTE: The motion PASSED on a vote of 5 to 3; Councilmembers Bergwerf, Bettelli and Harrington cast the dissenting votes.

Referring to pages 55 and 56, Councilmember Ferencz noted that there were fifty thousand dollars (\$50,000) and seventy-six thousand dollars (\$76,000) dedicated to signs and another one hundred fifty thousand dollars (\$150,000) for implementation of possible beach access parking. She said that she would like to see that parking plan money reduced; she noted that to get a plan in place and everything that entails will not cost the City one hundred fifty thousand dollars (\$150,000) in FY15 in her opinion. The Councilmember read that seventy-six thousand dollars (\$76,000) was to be spent on wayfinding sign plan design and the parking management plan design and that the fifty thousand dollars (\$50,000) for construction and installation of signs.

Administrator Tucker explained that the seventy-six thousand dollars (\$76,000) was the FY15 estimate on the remaining parts of contracts already entered into, the fifty thousand dollars (\$50,000) was to construct and install signs associated with wayfinding, the one hundred fifty thousand dollars (\$150,000) was a placeholder intended to be money for the City to use to implement whatever recommendation would come forward. Stantec is scheduled to make a presentation to Council in August. The Administrator acknowledged that the cost of implementing a parking management system may be less than one hundred fifty thousand dollars (\$150,000) but it could also be more; this money is to provide a source to do something about beach access parking if a plan comes forward that Council wants to implement.

Councilmember Bergwerf noted that this money represents a roll-over from the FY14 budget.

Councilmember Buckhannon recalled that talk has been renewed in recent weeks about the City taking over the roads and to have the question put before island residents in November.

MOTION: Councilmember Ferencz moved to reduce the budget for implementing a parking management plan to \$50,000: Councilmember Carroll seconded.

Mayor Cronin asked Council if they would consider an out-of-budget expenditure if it finds that implementation of a parking management system is more than fifty thousand dollars (\$50,000).

Councilmember Carroll stated that Council has been told that a parking pass or permit program would be revenue neutral.

Mayor Cronin responded that the revenue would come in after the program is implemented, for which this money was intended.

Councilmember Ferencz remarked that, if the City were to take over the roads, a revenue neutral program would not be necessary.

Councilmember Bergwerf indicated that, in her opinion, one hundred fifty thousand dollars (\$150,000) was a conservative estimate.

AMENDMENT: Councilmember Buckhannon moved to increase the motion for implementation of a parking system to \$100,000; Councilmember Bettelli seconded the amendment PASSED on a vote of 6 to 2 with Councilmembers Bergwerf and Harrington casting the dissenting votes.

VOTE on AMENDED MOTION: The amended motion to reduce total funding to \$100,000 for implementation of a parking management system PASSED ON A VOTE OF 5 to 3; Councilmembers Bergwerf, Bettelli and Harrington cast nay votes.

MOTION: Mayor Cronin moved to reconsider the FY15 budget as amended; Councilmember Bettelli seconded.

According to Treasurer Suggs, changes made to the budget at this meeting are:

- 1) Reduce funding for planning on marina enhancements from one hundred seventy-five thousand dollars (\$175,000) to seventy-five thousand dollars (\$75,000);
- 2) Remove forty thousand dollars (\$40,000) for Front Beach fencing; and
- 3) Reduce the placeholder for a potential parking management program from one hundred fifty thousand dollars (\$150,000) to one hundred thousand dollars (\$100,000).

Councilmember Ward stated that next year's budget was going to be tougher to produce than it was this year and noted that he would "be fighting tooth and nail for taxpayers, especially those on fixed incomes. He reiterated that the City must stop spending more than it brings in.

VOTE: The motion PASSED UNANIMOUSLY.

Second Reading of Ordinance 2014-04 - An Ordinance Amending Title 7, Chapter 1, Business Licenses, Article A, General Provisions, Section 7-1-22, Classification and Rates of the City of Isle of Palms Code of Ordinances to Increase the Business License Fee for Non-Residents From One Hundred Fifty Percent to Two Hundred Percent of the Rates for the Applicable Class.

MOTION: Mayor Cronin moved to approve for Second Reading and to waive the reading of Ordinance 2014-04; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

10. Introduction of New Bills, Resolutions and Proclamations

First Reading, by title only, of Ordinance 2014-06 – An Ordinance Amending Title 1, Government and Administration, Chapter 3, Procedures, Committees, Ordinances and Use of Code, Article A, Rules of Order and Procedure, Section 1-3-1, Regular Meetings, of the City of Isle of Palms Code of Ordinances to Change the Time for Regular Meetings of City Council to 6:00 p.m. in the evening.

MOTION: Mayor Cronin moved to approve for First Reading, by title only, of Ordinance 2014-06; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

First Reading, by title only, of Ordinance 2014-07 – An Ordinance Authorizing the Grant of a Utility Easement on a Portion of the City's Property Identified as TMS #571-07-00-029 to the South Carolina Electric and Gas Company for Conversion of Power Lines to Underground Facilities.

MOTION: Mayor Cronin moved to approve for First Reading, by title only, of Ordinance 2014-07; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

Proclamation for National Beach Safety Week, June 1-8, 2014

MOTION: After a summation by Administrator Tucker, Mayor Cronin moved to approve and to suspend the reading of the Proclamation for National Beach Safety Week; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

11. Miscellaneous Business

Consideration of alternatives for City Council and Committee meeting times and Dates

Mayor Cronin recalled that, at the last meeting, Council discussed changing the starting time to for Council meetings to 6:00 p.m.; additionally Council questioned consolidating the dates and times for committee meetings. The Mayor stated that he had solicited and received input from

several Councilmembers, and he and Administrator Tucker developed calendars for meetings for months remaining in 2014. The calendars were included in meeting packets. He stated that,

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if any month's meeting creates conflicts with the Chair or the majority of the Committee, a different date and time can be worked out with staff. The Mayor stated that, since September starts with Labor Day and has five (5) Tuesdays, he has moved the Ways and Means Committee and City Council to the fourth (4th) and fifth (5th) Tuesdays.

Next Meeting Date: 6:00 p.m., Tuesday, July 22, 2014.

12. Executive Session – not needed

13. Conclusion/Adjournment

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 9:32 p.m.; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk