

Public Works Committee
5:30 p.m., Wednesday, May 7, 2014

The regular meeting of the Public Works Committee was held at 5:30 p.m., Wednesday, May 7, 2014 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Ferencz and Loftus, Chair Ward, Administrator Tucker, Director Pitts, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the public and press were notified of the meeting in accordance with the Freedom of Information Act.

The Chair asked for a moment of silence for the young man who drowned on the island today.

2. **Approval of Previous Meeting's Minutes**

MOTION: Councilmember Ferencz moved to approve the minutes of the regular meeting of April 10, 2014 as submitted; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. **Department Reports for April 2014 – Director Pitts**

Maintenance and Trash Collection Reports

Director Pitts prefaced his comments with the statement "The island is getting busy!" The focus of work in April was island cleaning, rather than the typical tasks assigned to Public Works; debris was up to forty-two (42) tons, meaning many of the island residents were cleaning around their homes. Overtime was incurred pumping the avenues at the north end of the island and the Hazardous Household Materials Recycling on April 26th. Charleston County worked with the City to allow paint to be taken as part of the hazardous materials collections, and the flatbed was full of unused paint. Relative to vehicle maintenance, one (1) flatbed continues to be an issue and the Director purchased tires, but expects to end the year under-budget. Garbage collected was about ten (10) tons above the same period in FY13, and yard debris was up again. With only one (1) flatbed, there is still debris on the streets, and the Director said he would run an extra Saturday shift if necessary.

Councilmember Loftus stated that he thought Director Pitts had done an excellent job with the hazardous materials recycling, but he would prefer to see Charleston County employees on-site to avoid the City incurring an expense. The Councilmember acknowledged that the recycling collection should be after Tax Day and preferably not on Earth Day; Director Pitts noted that the date selection was dictated through the coordination of Shred 360 and Charleston County. Councilmember Loftus asked if it was possible to book them now for next spring; the Director said that he would try, but he doubted that Shred 360 booked that far in advance.

Administrator Tucker announced that the Director had become a grandfather for the second time today; his granddaughter was born around 11:00 a.m.

Administrator Tucker related receiving a phone call from a Mrs. Sims who was coming onto the island about 3:00 p.m. or 4:00 p.m. when she witnessed CDL driver Rob Graham basically saving the lives of a lot of people with his actions driving the garbage apparatus. Mr. Graham was returning from the yard via Hungryneck Boulevard; a woman was driving in the wrong direction on Hungryneck and there was a line of traffic behind Mr. Graham. He was able to stop and avoid hitting her and get her stopped; she was completely turned around from where she needed to be. In addition, he got her vehicle turned around and get her headed in the right direction. According to Mrs. Sims, he was barely able to stop; if he had not been able to do the job that he had done, it probably would have been a three (3) or four (4) car serious pileup. One of the vehicles was a completely filled concrete truck. Director Pitts will write this up, recommending some type of recognition for Mr. Graham, but Mrs. Sims went on-and-on that it was "nothing less than miraculous what he had done."

5. Old Business

A. Review of FY15 Capital and Operating Budgets

Administrator Tucker commented that the "pink" budget in meeting packets includes all of the changes made by the Ways and Means Committee. On page 1, all of the transfers-in agreed to are listed; those that are new to FY15 are distinguished by shading. The number has been refined for business licenses to reflect the increase to off-island businesses; the forty thousand dollars (\$40,000) allocated for BSOs has been removed since it will be reflected in the five percent (5%) increase from the County in Municipal Accommodations Taxes.

The Administrator stated that the County was recommending for the City to use funds in excess of the forty thousand dollars (\$40,000) for BSOs and the expense for beach recycling toward the Front Beach restrooms. Administrator Tucker has countered to them that the City appreciates the suggestion and it will be conveyed to Council, but that the City's policy-setting body would be expecting more fiscal support for the public restroom than that. The City could do that, but it would take a long time to accumulate the necessary funds.

Councilmember Ferencz asked for clarification on the fifty-five hundred dollars (\$5,500) spent in FY13 and the FY14 budget of almost twelve thousand dollars (\$12,000); Councilmember Loftus explained that the BSOs did not all start at the same time and that the City had a difficult time finding people who qualified. The Administrator opined that the number of BSOs went from four to six (4-6) between FY13 and FY14; the budget reflects them all coming on board at the same time, but that seldom happens. Councilmember Ferencz questioned the amount spent in FY14 to a budget of sixty-five thousand dollars (\$65,000) for FY15; the Administrator responded that the figure includes wages and benefits for the BSOs.

Other changes include the accounting adjustment that will appear throughout the budget as a reduction insurance expense.

The Administrator reported that no changes were made to Capital Projects and Special Projects for the Public Works Department at the Ways and Means meeting.

Councilmember Ferencz recalled Council's decision to abandon leasing programs for capital assets and to pay for the assets as the purchase need arrives; the Councilmember asked what amount was projected to go into the reserve in the FY15 budget.

Administrator Tucker went to the fund balance roll-forward schedules and directed attention to the first column entitled "Assigned for Capital Projects," which shows that the amount to be added in FY15 as five hundred seventy-seven thousand three hundred thirty-three dollars (\$577,333). The Administrator explained that the amount fluctuates because the schedule modifies each time an asset is replaced.

Chair Ward stated that he thought it was a good idea when originally proposed, but he voiced his concern that the City can afford to continue to put aside such large sums of money; he noted that, in two (2) years, the fund balance has gone from two point two million dollars (\$2,200,000) to six hundred twenty-two thousand dollars (\$622,000). The Chair said that the process must stop because he is not resigned to a tax increase next year. He continued that older residents of the island on fixed incomes who are still concerned about the increases in flood insurance do not need a tax increase. He commented that Council must repeat this year's process of questioning things in the budget; as he remembered, the Hospitality Tax fund is projected to have a fund balance of fifty-one thousand dollars (\$51,000) at the end of FY15. In total, tourism funds are being reduced by five hundred eighty-nine thousand dollars (\$589,000). The new firefighters are going to cost the City four hundred forty thousand dollars (\$440,000); in the debate over these additional firefighters, Chair Ward remembered asking where the money was going to come from to pay them in the future, and the answer he was given was that staff will find it, it is not going to have a major impact. He voiced the opinion that the FY15 budget needed further cuts; he stated that he has measures that he will put on the table for Ways and Means to consider to keep the fund balances strong.

Administrator Tucker explained that the money being put into the reserve for future purchases is money that is being saved; it is not going away. The money is there to use when these items roll forward for replacement, or not to use and to defer the purchase if possible. She reiterated that the money is still there; the City has fund balance that has flexibility because it is not committed to anything, and then there are funds that are savings that has been assigned with the hope of not going into debt to purchase the "big ticket" items, such as fire trucks, garbage apparatus and radio replacements.

According to the Administrator, operating expense is the thing that most effects property taxes; where the capital side comes into play is that the City needs the positive end result in any given to be able to capitalize the capital fund. That being said, the City always hopes to operate leanly so that money is leftover at the end of the year to move forward into the capital budget or the Disaster Recovery Fund or whatever is the will of Council.

Chair Ward asked how much four hundred forty thousand dollars (\$440,000) would equate to the millage rate; Administrator Tucker responded that equals amount equals about two (2) mills.

Councilmember Ferencz voiced a lack of understanding that one hundred eighty thousand dollars (\$180,000) is being taken from the General Fund to go to Capital Projects in the FY15 budget when, at the same time, the City is tapping into tourism funds by nearly six hundred

thousand dollars (\$600,000). The Councilmember questioned how to justify that to the taxpayers on the island; the one hundred eighty-thousand dollars (\$180,000) could pay for the new firefighters.

Administrator Tucker responded that the City tries to maintain the Capital Projects Fund at a level to fund what the City typically has in expenses in any given year on the capital side; the goal is to keep a balance of about one million dollars (\$1,000,000) available in the Capital Projects Fund. The projected FY15 ending balance in the Capital Projects Fund is one million four hundred thirty-six thousand eight hundred dollars (\$1,436,800). The staff typically runs a schedule year-over-year to determine what is needed to fund capital expenses.

Councilmember Ferencz continued that, if the City decides to spend less on capital, operations are impacted because the positive at the end could go into the General Fund. The Councilmember expressed the opinion that she is not sure that the City can continue to spend that much on capital to prevent the City from the enacting a millage increase. Some of the capital expenses are equipment, but anything that is not a safety issue needs to be examined carefully. Councilmember Ferencz commented that the City has such fixed costs on the operating budget that capital should help operating, rather than operating helping capital.

The Administrator said that part of the balance is trying to position the City so that it does not have to borrow money, and, in order to do that, the City has to look at the long range plan for the replacement of essential equipment. The City cannot stop replacing garbage trucks when they wear out because there is always garbage to be picked up; therefore, if the City is projecting when to replace things, the City must keep a reservation of fund balance to do that at the time it comes up for replacement. Administrator Tucker stated that staff is receptive to any ideas to try to improve the situation; she added that it is always a challenge to try to find the right balance between the support from the tourism funds, keeping the tourism funds healthy, not having to borrow to purchase capital items. The Administrator acknowledged that this is a challenging budget year and it is not going to get any easier.

Referencing the parking management plan and the wayfinding sign initiative, Councilmember Ferencz stated that the City has been funding them for three (3) years. When the City has money in a special project, like the Stantec projects, and, at the end of the budget year, money has not been spent in that project, yet additional funds are budgeted for the next year, the Councilmember asked what becomes of the money left at the end of the year.

Administrator Tucker responded that the money does not go away; it stays in fund balance. The City is not adding to the amount it anticipates spending; it is re-budgeting the money that was remaining and additional money that is budgeted.

Not moving one hundred eighty thousand dollars (\$180,000) into the Capital Budget in FY15 means that the fund balance in Capital Projects is going to toggle below the level of fund balance that the City likes to keep in the fund.

Councilmember Ferencz repeated "like to keep" and added, but do not have to keep.

The Administrator continued that it is a practice based on historical knowledge of what the City's needs will be.

Chair Ward recited previous year-end fund balances and stated that the fund balance over recent years has been significantly higher than one million dollars (\$1,000,000). In his opinion, that is not a good trend; the Chair noted that all fund balances are going down.

Administrator Tucker agreed that fund balances are decreasing, but she cautioned the Chair to always look at that trend while adding back in the savings because the money is still there. The money has been set aside until the time comes to spend it.

The Administrator recalled last year, when the schedule of reserves was presented, staff said then that it could be that the schedule needs to be adjusted over time; it could be more ambitious than it needs to be.

Councilmember Ferencz indicated that she would find it difficult to explain to a resident that property taxes are going to increase when the City is saving such large sums of money to be used later. The Councilmember added that she was not advocating ending the process, but suggested assigning what is absolutely needed.

Councilmember Loftus indicated that the City has been trying to stay firm with a replacement schedule, but, in his opinion, goods are made much better today than in the past and an opportunity for relief is to be more flexible with the replacement schedules. He noted that Sullivan's Island is replacing a fire truck that is twenty (20) years old, but the City replaces them at fifteen (15) years. The Councilmember stated that he would only want to support a tax increase only if there is a dire need.

Councilmember Loftus moved away from the capital budgets to voice his concerns over the fact that, since 2007, the operating budget has increased from six point two million dollars (\$6,200,000) to over nine million dollars (\$9,000,000), a forty-five percent (45%) increase, which is twice the rate of inflation. If the City is spending over inflation rates, he asked what is the money being spent on, where the City is headed and if the City is making any sacrifices. Councilmember Loftus took this opportunity to praise Director Pitts for the "phenomenal job" he does managing money in his department. He referenced the fact that non-capital tools has increased one hundred seventeen percent (117%) in a five (5) year period.

In regards to the increase in non-capital tools, Administrator Tucker explained that the City changed its capital threshold from one thousand dollars (\$1,000) to five thousand dollars (\$5,000); therefore, things that used to appear as replacements in the Capital Plan are now expensed in operating non-capital tools, accounting for much of the increase.

Councilmember Loftus then asked what factors have influenced the increase of forty-seven percent (47%) to maintenance; the Administrator stated that the older equipment gets the increased maintenance it requires, and this line is affected when items go out of warranty.

Councilmember Ferencz summarized the discussion noting that the City should investigate whether it can afford to continue to put away as much into savings and it does now and, in this

current year, look at whether the City can afford one hundred eighty-thousand dollars (\$180,000) going to Capital Projects from the operating budget.

Administrator Tucker recalled that, as the number was being developed, the Treasurer had looked at what would be anticipated for FY16, either deferred from FY15 or roll forward on the Capital Plan, looked at the fund balance schedule for the impact on the Capital Projects fund and arrived at the figure in the budget.

Councilmember Ferencz stated that she planned to work very hard at the end of FY14 to have no money put into the Capital Projects fund, but to keep it in the General Fund because the City's fixed costs have risen dramatically.

Councilmember Ferencz stated that she was very surprised to learn that the City planned to spend one hundred seventy-five thousand dollars (\$175,000) at the marina; she questioned that the City could afford it in FY15. In her opinion, this action was pushing the City to a millage increase. The Councilmember stated that she understood if a referendum to improve the marina generated a millage increase; taxpayers could decide whether they wanted to see such improvements enough to increase their taxes. To have a millage increase because the City is not "tightening [the City's] belt" will be a hard sell.

The Administrator commented that she tries to avoid the idea of just a millage increase because there are other ways the City can increase revenue. Part of the problem with the operating expenses up against the City's revenue sources is that the City's expenses have been going up every year, and the City has kept revenues relatively stable every year. The only way staff has been able to make that work is by rolling in fund balances from other funds to support the General Fund budget.

In the Administrator's opinion, if the millage had gone up by the CPI annually, which is available for the City to do, the City would probably not be in this condition; the City would have seen a gradual increase in revenues at the same time expenses were increasing. Historically, the policy-making body has taken the position of no tax increase; what that has done is that non-controllable expenses have continued to escalate and revenues have remained stable. Now the City has reached a point where the options to keep it that way are limited without finding additional revenue sources, some of which were adopted at the budget workshop.

Councilmember Loftus recited that increases to operating expenses occurred for several years and concluded that sometimes the City just has to say no. He remarked that advertising expense has increased by forty-five percent (45%); he stated that he does not think the City should advertise changes in garbage pickup days; the information should be on the website and message boards. He noted that *The Moultrie News* only covers one-third ($\frac{1}{3}$) of the island, but the Recreation Department advertises its activities there.

The Administrator commented that the Recreation Department ads are primarily for events which are sponsored by the ATAX Committee; therefore, do not affect the operating budget. In addition, certain ads that the City runs are required by state law, and the law is very specific, stating "in a newspaper with daily circulation serving the region," which puts the ads in *The Post and Courier*. If there is a need, ads also appear in local weekly and bi-weekly newspapers.

Administrator Tucker indicated that she thought that advertising expense could be reduced by a couple thousand dollars (\$2,000).

Other accounts that have seen large increases are employee training up fifty-six percent (56%) and miscellaneous up ninety-seven percent (97%); the Councilmember stated that he would like to see details on these accounts.

The Administrator explained that this is not just a pool of money for each department to use if they run over-budget on another expense line. Expenses are assigned to this category when they do not fall into any other category in the budget, and they are items that the City repeats year after year; in General Government, items included in this line are the employee recognition program, Safety Sweepstakes program, the Charleston Chaplaincy, Holly Reynolds for Island Shore Birds, the annual appreciation event, and employee morale and incentive programs, and items like water and coffee for the office.

Councilmember Loftus asked what has happened between 2011 when the figure was twenty-one thousand dollars (\$21,000) and 2014 when the amount was forty-three thousand dollars (\$43,000). Responding, Administrator Tucker reported that in two or three (2-3) years, ten thousand dollars (\$10,000) was not budgeted for holiday party and went back into the budget last year.

Chair Ward noted that transfers-in to balance the General Fund have doubled – a one hundred percent (100%) increase.

According to Councilmember Ferencz, the Committee's frustration is from seeing what is looming ahead and knowing that they have done everything possible in the FY15 budget to avoid it, by "tightening the belt" as much as possible and thinking out of the box; in her opinion, one (1) way to do that is with the savings for future purchases.

The Administrator commented that one thing the budgeting process for this year brought out is everyone's anxiety for next year and that everyone is thinking about what they can do this year so that next year a balanced budget can be achieved in a way that is acceptable to all. She reiterated that, by not taking the CPI every year, a big gap develops.

Chair Ward related a conversation he had with Perrin Lawson of the CVB where he learned that the City's payments to the CVB have increased from two hundred fifty thousand dollars (\$250,000) to four hundred sixty thousand dollars (\$460,000) based on what the City is bringing in from State Accommodations Taxes.

Administrator Tucker said that this is one (1) of the reasons staff has advocated using those funds because tourism funds are steadily increasing.

Councilmember Loftus reiterated that the City is spending at double the inflation rate.

The Administrator stated that the comments she hears from residents is that they want more services, not less, so it becomes a challenge to ratchet down expenditures in the budget and

still be responsive to things are discussed as needs, such as replacing the public restrooms and lighting at Front Beach.

Chair Ward asked the Administrator to give him examples of what residents want the City to spend more money on. The Administrator responded that, earlier in the day, there had been a request for more public art and that the Chair had indicated at another time that residents would like to be able to use the pier that is privately owned.

The Administrator continued that she hears “it would be nice if the City would . . .” or “it would be nice if you would improve the marina; you guys have basically done nothing to it since the City bought it.” Administrator Tucker indicated that her typical response is, “With sufficient resources, the City is able to accomplish whatever everybody wants, but there has to be sufficient resources.”

Chair Ward stated that there is anxiety now and that the City must change its direction. Councilmember Loftus brought up a good idea with extending the life of vehicles, for example, and Councilmember Ferencz has made a good point about the proposed addition to the Capital Projects Fund. He added that he will do all in his power to stop the depletion of fund balances.

Administrator Tucker summarized what she would be taking from the discussion as (1) a general anxiety about the future of the City’s ability to successfully budget and meet expenses, (2) an examination the savings schedule by not saving as much and looking at pushing out some items so they are not replaced as quickly, and (3) justification for the amount proposed to transfer-in to Capital Projects.

Chair Ward calculated the personnel and benefit costs for the Fire Department as two point one million dollars (\$2,100,000) and for the Police Department as one million five hundred sixty-one thousand dollars (\$1,561,000).

Councilmember Loftus asked what else could be done to the FY15 budget to position the City not to have a bigger problem for FY16, i.e. more money needs to be cut from the FY15 budget.

B. Consideration of NPDES

Administrator Tucker recalled, from the Ways and Means meeting, that there were several items in different sections in the budget related to the Public Works site; at the time, the Administrator asked that no changes be made to those numbers because Director Kerr and Pitts were working “to get a handle on the project” so that a new budget could be prepared. The goal tonight is better budget placeholder which will appear in the new budget for Ways and Means.

In addition, the Administrator believes it to be important that the Committee understand the problem the City is facing in this project. The City has two (2) concerns related to the reconfiguration of the site:

- 1) The safety concern from trucks turning into the site at the busiest intersection on the island at 14th Avenue and Palm Boulevard and

- 2) The City is out of compliance in two (2) areas and, once actions are taken to be in compliance, it will affect the ability to move around on the site as well, depending on what the City decides to do.

The Administrator explained that the City is out of compliance with the National Pollution Discharge Elimination System (NPDES), which governs stormwater runoff, basically saying that things should not be done to cause pollution the country's waterways, oceans, creeks, etc. The City is part of an NPDES program with Charleston County that regulates it for the City; the stormwater fee on tax bills is paid into a pool of money at Charleston County to make improvements to avoid the pollution of the waterways.

At the Public Works site, the garbage apparatus are washed and the runoff spills into the drainage system and into Hamlin Creek; it is not treated in any way. Some changes have been made to that problem, i.e. the use of more environmentally friendly detergent, but, based on NPDES regulations, the runoff should not be going directly into the creek, but be treated or filtered in some way first. This is one (1) way that the City is out of compliance.

The second issue is that the City collects "white goods," which are washers, dryers, refrigerators, etc. that breakdown in people's homes; these items are typically stored on-site until there is a sufficient quantity to take to the landfill. Currently, when it rains, the rain water runs over these appliances that could contain harmful chemicals, such as freon, that leeches out into the rain water which also flows directly into Hamlin Creek.

For the "white good" storage and truck wash-down the City is out of compliance with NPDES rules, but no one can tell the City to what kind of risk it is exposed. For the sake of the environment, all would agree that the City should alter its process and do something different. In terms of enforcement, the City does not know whether the EPA will go to the site tomorrow and fine the City or whether that is a long-shot and would never happen or, if the City is fined, how much that fine might be. The City, therefore, must come into compliance on these two (2) issues.

Compliance forces the issue of access depending on which option the City chooses for compliance; the handout headed "Public Works Site – Goals and Strategies" offers seven (7) possibilities for coming into compliance. (A copy of the information contained in meeting packets is attached to the historical record of the meeting.) The options for washing the trucks are:

- 1) Take trucks to the Mount Pleasant wash site;
- 2) Take trucks to the County wash site;
- 3) Take trucks to a private wash site;
- 4) Install a roofed structure with a water filter system tied into the public water drainage system; and
- 5) Install a roofed structure with a water filter system tied into the public wastewater system.

Options for dealing with the runoff from "white goods" are:

- 6) Install a roofed structure to keep stormwater from running over the “white goods;”
- 7) Reorganize the existing storage bays of the Public Works site to create an area within the existing building to store “white goods.”

Pros and cons for each option are presented in subsequent pages. For both the truck wash-down and the “white goods” storage, a complication for the City is that they both require a roof over them because rain water should not be going into the filtration system; therefore, the City is looking at potentially two (2) new roof structures which complicate trucks negotiating the site.

The positive side for constructing a roof structure and filtration systems are that they do gain the City compliance with NPDES regulations and the Public Works Department continues to operate very similarly to the way they do now. The expense associated with the roofed structures is two hundred fifteen thousand dollars (\$215,000); one hundred eighty thousand dollars (\$180,000) may be eligible for reimbursement from NPDES funds, and the remaining thirty-five thousand dollars (\$35,000) is a City expense.

Responding to Councilmember Loftus’ question, the Administrator stated that the City has been unsuccessful in its attempts to get from Charleston County the total dollar amount in the City’s NPDES pool. She stated that staff will continue to persevere. Administrator Tucker expressed the opinion that there is a significant sum of money in the pool and that she does not think this project will make a serious impact on that pool.

When asked whether the Administrator was confident that the City could get the NPDES funding, the Administrator replied that the County has said to create the plan that the City wants to execute, and they, Charleston County, will tell the City how much is reimbursable from NPDES. Staff is estimating based on what it knows is expense related to coming into compliance, but the Administrator admitted that she could not guarantee that the City would be reimbursed one hundred eighty thousand dollars (\$180,000) from NPDES funds.

Since Charleston County has been assisting City staff in figuring out exactly what needs to be done, they have made it clear that anything that might be attributable to, for instance, the reconfiguration of the access way to resolve issues within the site, they will not see that as contributing to the positive environmental change.

Since the City will have a new discharge, it will have to pay an annual Industrial Discharge Permit fee to DHEC in the amount of twenty-seven hundred dollars (\$2,700).

The other option is to go with the roofed structure and to put the drained material into the IOP Water and Sewer Commission’s waste water treatment system for them to treat it; this is being pursued with them and would cost the City approximately fifty-five thousand dollars (\$55,000) with nothing reimbursable from NPDES funds. The City is still faced with difficulty negotiating the site, and the City would have to persuade the Water and Sewer Commission to take it, accompanied by a bill and sewer bill for the treatment of this material.

Councilmember Ferencz asked for clarification about why NPDES funds would not be available for this option; the Administrator responded that, since the City would not be doing the discharge filtration system, the work would not be NPDES eligible.

Administrator Tucker noted that, until the City selects a plan and submits it to Charleston County, the City is making its own determinations about what would and would not be eligible.

Director Kerr stated that some odd determinations have been made by Charleston County, but it has all transpired over the phone with an engineer; for instance, they will not fund the building that is necessary to keep the rain water out of the drain, but they will fund everything within the building.

The roofed structure to cover “white goods” is also not expected to be covered by NPDES funds. Again, once any kind of roof is constructed that garbage apparatus must maneuver around, a mechanism is necessary to minimize the number of times the vehicle must be backed up and do three-point turns.

Councilmember Ferencz asked whether the “white goods” had to be stored at the Public Works site, or was there a way to get rid of them and eliminate storing altogether. Additionally she asked whether the City picked up “white goods” as a courtesy to residents or was the City required to pick them up.

The Administrator said it has always been the City’s practice to pick up “white goods” from the side of the road. The pickup of “white goods” comes in clusters, but a month of pickup may result in only one or two (1-2) appliances, which make a trip to the landfill most inefficient.

Director Pitts informed the Committee that, if an appliance is kept just overnight, it must be covered.

Councilmember Loftus asked what would happen if the City did not do this piece of the project. The Administrator said that she does not have any experience with NPDES fines, but, based on her experience with being out of compliance with wastewater treatment, a consent order is entered into that states that the entity must come into compliance by “X” date, and, if the entity does not, the fine will be ten thousand dollars (\$10,000) per day until the entity is in compliance.

The option for reorganizing the storage bays at the Public Works site to house the “white goods” is problematic in that the bays are already full; according to Director Pitts, items stored there include the kiosks, the pooper-scooper inventory, a generator, an orb, the lighted Santa and the Department’s four-wheeler. To use this space for “white goods” will require a new access road and security gate.

The Administrator’s goal for this meeting was to ensure that the Committee fully understands the problem the City is facing; she noted that she does not know which option the City will ultimately do in FY15 to come into compliance. For the FY15 budget is to modify the budget to accommodate expense and revenue to come into compliance and, over the year, figure out the most cost-effective way to achieve compliance on the site and allocate money accordingly.

In the current version of the budget, one hundred forty thousand dollars (\$140,000) shows as revenue from NPDES; staff would like to increase that to one hundred ninety thousand dollars (\$190,000). The total project costs would show a net increase of seven thousand one hundred thirty dollars (\$7,130) with a total project cost of two hundred eighty-three thousand one

hundred thirty dollars (\$283,130). This amount accommodates the roof structures, the reconfiguration and the drainage of the runoff. Money in the budget now will be re-classed to this effort as follows:

- Capital Projects Grant Income indicated as \$140,000 will increase to \$190,000;
- Public Works Capital Outlay will increase to \$347,463;
- General Government Capital Outlay will be reduced from \$42,000 to zero;
- Capital Budget, General Government Special Projects for land improvements at 1301 Palm will be reduced from \$42,000 to zero;
- Capital Budget, Public Works Special Projects for parking, configuration and safety improvements for 1301/1303 Palm will be reduced from \$44,000 to zero; and
- Capital Budget, Public Works Special Projects will increase to \$283,130.

MOTION: Chair Ward moved to the FY15 budget changes as detailed above; Councilmember Loftus seconded.

Councilmember Ferencz asked whether the Administrator thought this project would be completed in FY15, and the Administrator said that she wanted to complete it in that timeframe.

Administrator Tucker was reminded that the site will need to be disturbed again in 2017 to replace the underground storage tanks. Councilmember Loftus asked if this project could be delayed so that the site is only disturbed once.

The Administrator repeated that none of the NPDES people at Charleston County has been able to tell staff how much risk the City is exposed to by continuing the bad habits. In addition, the Administrator commented that, if this project is delayed, she cannot guarantee that the City will not have a compliance problem.

Chair Ward repeated that NPDES inspectors could show up tomorrow – that is the unknown, or the inspectors could never show up.

Councilmember Loftus asked whether the City had ever been cited; Administrator Tucker responded that the City has not been cited for NPDES non-compliance.

Councilmember Loftus suggested that the City contact Charleston County to share with them the facts that the City would prefer to delay the necessary work at the Public Works site until 2017 when the site will have to be disturbed to replace the underground storage tanks; the two (2) projects could be rolled into one major project.

Administrator Tucker stated that the City's plan will not matter to the NPDES auditors because the truth is that the City is out of compliance and has been put on notice that it is out of compliance. If they are of a mind to fine the City, the reasons behind the City's delaying the work may not matter. The Administrator added that the City should weigh the rightness of continuing to put these pollutants into Hamlin Creek now that the City has been made aware that it is doing something harmful to the environment.

The Administrator urged the Committee to leave this project in the FY15 budget; if it is possible to delay, the City will, but inclusion in the budget shows Council's intent to solve the problem.

VOTE: The motion PASSED on a vote of 2 to 1 with Councilmember Ferencz casting the dissenting vote.

C. Discussion of Timing of Palm Boulevard Drainage Crossing

Administrator Tucker noted that Palm Boulevard is slated to be re-surfaced in the fall from 41st to 57th Avenues. The drainage projects for which the City has design and permits will cross that section of Palm in two (2) places, 45th Avenue and 57th Avenue, which means that the road will be torn up soon after being re-surfaced. If it was the will of the Committee, the City could go forward with those two (2) crossings now, and they would be pipes to nowhere until the drainage project reaches that area. The crossing at 45th Avenue and Palm Boulevard is at the main gate to Wild Dunes. The City received estimates from two (2) companies for each of the two (2) streets; they are as follows:

	<u>45th Avenue</u>	<u>57th Avenue</u>
Paragon	\$ 50,800	\$ 24,779
Eadie's	97,755	29,410

The Administrator reported that the City does have some money available; at the end of FY14, the City expects to have one hundred thirty-nine thousand sixty-eight dollars (\$139,068) in the reserve for drainage.

The point of this discussion has been to make the Committee aware of the situation and to determine if there was any interest from the Committee to move forward with one (1) or both projects.

Director Pitts explained that there is so much infrastructure in place under Palm Boulevard, such water and sewer lines, that will have to be relocated, driving the cost up.

Chair Ward suggested that the matter should be taken to all of Council to make a decision.

D. Update on Charleston County Recycling

Administrator Tucker informed the Committee that the blue barrels have been ordered and are expected to arrive on Friday. As quickly as Public Works cuts out the top, drills holes in the bottom and puts the decals on them, they will be deployed.

Councilmember Loftus asked the status of educational materials for visitors and the rental companies. Assistant Dziuban reported that the County would not do a direct mailing for this initiative because the project was too small; therefore, the City will have to rely on the newsletter and website. According to the Assistant, the County will pay for signage at the marina re-directing people to the alternate locations on the island.

Councilmember Loftus stated that he was not concerned about the island residents, but that renters need to be informed so that the program will be successful.

Assistant Dziuban noted that staff has created a flyer to distribute to the Wild Dunes Community Association, and it could easily be sent to the rental agencies as well.

Chair Ward suggested adding information about beach recycling to the rental placard when they are printed next.

E. Discussion of Front Beach Lighting

The Administrator stated that she has a meeting next week with SCE&G person that handles the non-standard service clauses at Front Beach; when she requested meeting, she also asked that this person visit Front Beach after 9:00 p.m. to observe the situation to witness the particular areas that are dark and need additional lighting. Administrator Tucker expects the meeting to assess the area and for SCE&G to come back at a later date with their recommendation and cost estimates.

6. New Business

A. Consideration of 2014 Project Requests for CTC Funds

Assistant Dziuban stated that the City deals with this task each year, and the opportunity to select the projects to request is given to both the Public Safety Committee and the Public Works Committee. The recommendations from the Public Safety Committee, in priority order, were Phase II drainage, handicapped parking at 21st Avenue and bike paths from Breach Inlet to 57th Avenue.

Administrator Tucker explained that the problem with the handicapped parking at 21st Avenue is flooding; frequently the water gets so deep that the parking spaces are unusable. The Public Safety Committee changed the priority of the bike path initiative because they felt that the likelihood of getting funding was slim and that small drainage project at 21st Avenue might stand a better chance of getting funding.

Councilmember Loftus expressed his passion for bike paths on the island as a safety factor; he stated that he expects a tragedy will occur at some point with the cyclists on Palm Boulevard.

MOTION: Chair Ward moved to approve the priority of CTC project requests be Phase II drainage, the handicapped parking drainage at 21st Avenue and the bike path from Breach Inlet to 57th Avenue; Councilmember Ferencz seconded and the motion PASSED on a vote of 2 to 1 with dissenting vote from Councilmember Loftus.

B. Contracts in Excess of \$10,000 – None

7. Miscellaneous Business

Next Meeting Date: 5:30 p.m., Wednesday, June 4th in the Conference Room.

8. Adjourn

**MOTION: Councilmember Ferencz moved to adjourn the meeting at 7:55 p.m.;
Chair Ward seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland
City Clerk