

## **WAYS AND MEANS COMMITTEE**

5:45 p.m., Tuesday, January 19, 2010

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, January 19, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Duffy, Loftus, Piening, Stone and Thomas, Mayor Cronin, City Administrator Tucker, City Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland. There was a quorum present to conduct business.

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.

### **2. Election of Chair and Vice-Chair**

Councilmember Duffy nominated Mayor Cronin as Chair; Councilmember Bettelli seconded and there were no additional nominations. The Committee unanimously elected Mayor Cronin as Chair of the Ways and Means Committee.

Councilmember Bergwerf nominated Councilmember Duffy as Vice-Chair; Councilmember Loftus seconded and there were no additional nominations. The Committee elected Councilmember Duffy as Vice-Chair of the Ways and Means Committee on a vote of 6 to 1 with Councilmember Bettelli casting the dissenting vote; Councilmembers Buckhannon and Piening arrived after the vote was taken.

### **3. Approval of Previous Meeting's Minutes**

**MOTION: Councilmember Loftus moved to approve the minutes of the regular meeting of November 17, 2009 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

### **4. Citizens' Comments - None**

### **5. Financial Statement – City Treasurer Suggs**

Treasurer Suggs began her remarks noting that the financial reports to be discussed at this meeting reflected the first six (6) months of the City's fiscal year; therefore, the revenue and expense targets were fifty percent (50%). As the Treasurer has been repeating for a couple of months, the City is in its slow revenue period and a significant turnaround will occur in January as the City's property taxes are collected. The first property tax payment has been received from Charleston County in the amount of five hundred fifty thousand dollars (\$550,000.00). Business License fees are also due to the City by February 1, 2010 and are delinquent on February 2; Residential Rental Licenses revenue has exceeded one hundred percent (100%) of budget.

The Treasurer reported that General Fund expenditures are at forty-six percent (46%) of budget overall, and each individual department is at or below fifty percent (50%).

David Phillips of Greene, Finney & Horton, LLP will have a PowerPoint presentation for the January City Council meeting relative to the 2008-2009 audited financial statement.

### **Tourism Schedules**

State Accommodations Taxes are paid to the municipalities on a quarterly basis; therefore, there is no new information to report this month.

Municipal Accommodations Fees are received monthly and, through December 2009, the City has collected one percent (1%) more than it collected for the same period in 2008.

Hospitality Taxes, as reported, are twelve percent (12%) below the same period in 2008, but the figures do not include payment from an entity on the island that is in arrears; the figures should be corrected by February 2010.

Administrator Tucker reported to the Committee that, although the City charges a delinquency fee, it is a one-time fee and is not cumulative; therefore, there is no motivation for the payer to become current once the late fee has been incurred. The Administrator noted that she had discussed the legality of the City's delinquency charges being cumulative, and the City Attorney had found nothing in the law that would prevent the City from amending its ordinance to make the charges cumulative.

**MOTION: Councilmember Loftus moved to direct the City Attorney to amend the City Code to make cumulative the delinquency charges on Hospitality Taxes; Councilmember Duffy seconded and the motion PASSED UNANIMOUSLY.**

### **Project Status Schedules**

Public Safety Building – Treasurer Suggs reported that there had been several smaller expenditures for furniture and fixtures, setups and networking of equipment. The final payment on the construction contract had been paid to Mashburn Construction Company leaving only the retainage of fifteen thousand dollars (\$15,000) due.

Councilmember Loftus asked the status of the punchlist and the moisture issue; Administrator Tucker responded that Dave Johnson from Cole+Russell would meet with her, Chief Buckhannon, Chief Graham and Director Kerr tomorrow to review the items remaining on the punchlist, additions to the punchlist and the water intrusion issue. Later in the day, this group will meet with representatives from Mashburn Construction and the sub-contractors to discuss resolution to the matters remaining; it is expected that sections of drywall will be removed for further inspection.

Beach Restoration – The Treasurer explained that the recent expenses were related to the ongoing post-project monitoring.

Mayor Cronin commented that a meeting would be scheduled in coming weeks for Coastal Science and Engineering (CSE) to present its first beach monitoring report.

Councilmember Stone asked the City's intentions for the balance of the funds in the Beach Restoration Fund; Mayor Cronin explained that the City was obligated to two (2) more years of

post-project monitoring. The Mayor also stated that the Beach Restoration Fund was independent from the City's budgeted funds for beach monitoring and restoration.

Councilmember Loftus asked the status of the plant loss and replacement; Administrator Tucker noted that approximately fifty percent (50%) of the plants had been lost to the high tides and overwash and that CSE had notified the Contractor regarding replacement and negotiations were underway. The Administrator commented that the replacement plants would be a different variety that would be hardier and more likely to take hold.

6. **Old Business - None**

7. **New Business**

**Recommendations from the Public Safety Committee:**

A. **Increase Front Beach parking fees from \$.75 to \$1.00 and to finance the cost of \$1,350 for the equipment upgrade from Municipal Accommodations Fees**

Administrator Tucker referred the Committee to the memo in the meeting packet from Lieutenant Wright with the rationale behind this request.

**MOTION: Councilmember Stone moved to increase the Front Beach parking fees from \$.75 to \$1.00 and to finance the equipment upgrade with Municipal Accommodations Fees; Councilmember Bettelli seconded.**

Councilmember Stone questioned the Committee's decision to fund the equipment upgrade with Municipal Accommodations fees rather than the revenue generated from parking fees. Administrator Tucker explained that the Committee the use of Municipal Accommodation Fees was justified because the Front Beach is a high tourist area.

**Amendment: Councilmember Stone moved to amend the motion to finance the equipment upgrade from the General Fund; Councilmember Buckhannon seconded.**

Councilmember Duffy commented that, since the state has limited the ways that Municipal Accommodations Fees can be used, the fact that this use is a legitimate one justifies it. Councilmember Loftus agreed adding that there were rare opportunities to spend Municipal Accommodations Fee, so the City should take advantage of this one.

**Call for the Question on the Amendment: The amendment failed with no supporting votes.**

**Call for the Question on the Primary Motion: The motion PASSED UNANIMOUSLY.**

**B. Increase the dog license fee to \$10 for residents and property owners and to \$25 for visitors/non-residents**

Councilmember Bettelli, Chair of the Public Safety Committee, explained that the City would go to a system like that of Sullivan's Island with a colored collar with numbered tag; the collar could be seen at a distance allowing for easy enforcement. He noted that the current license fee is two dollars (\$2) for residents and that non-residents/visitors are not required to obtain a license.

Councilmember Bettelli reported that the Committee has proposed a fee of ten dollars (\$10.00) for residents and property owners and a fee of twenty-five dollars (\$25.00) for visitors/non-residents. He added that Sullivan's Island has increased its dog license fee to thirty-five dollars (\$35.00) for residents and non-residents.

**MOTION: Councilmember Bettelli moved to implement a collar and tag system, to require that residents/property owners and visitors/non-residents license their dogs and to increase the fees for dog licenses to \$10 for residents, property owners and renters with proof of residency, and to \$25 for visitors/non-residents; Councilmember Loftus seconded.**

After a brief discussion of the definition of resident, the Committee agreed that all property owners would qualify for the ten-dollar (\$10.00) rate as would renters who could provide proof of residency, such as a utility bill.

There was also discussion of the possibility of having the new collars and tags for distribution at "Doggie Day at the Rec" scheduled for Saturday, February 27, 2010.

Administrator Tucker reminded the Committee that an effective date for this change would need to be established for passage by City Council. It was generally agreed that the fifty-six (56) licenses that have been sold for the 2010 calendar year would be "grandfathered" and given the new collars.

**Call for the Question: The motion PASSED UNANIMOUSLY.**

**C. Purchase of refrigerator magnets advertising the Livability Hotline number**

Administrator Tucker remarked that there had been no specific recommendation from the Public Safety Committee because the Committee was not in possession of any quotes, but the quotes were obtained and included in the meeting packets. For a quantity of five thousand (5,000) magnets, the low bid was eighteen hundred dollars (\$1,800) from A Plus Awards by Onie, an Isle of Palms business.

During the ensuing discussions, Councilmember Bettelli explained that the City would not mail out the magnets, but would make them available at various locations on the island, like City Hall, the Recreation Center and the Public Safety Building. There was also general agreement that a purchase of seven thousand (7,000) magnets was more practical in that it would provide the City with a large supply and possibly a lower per unit cost despite this purchasing being a non-budgeted item.

**MOTION: Councilmember Stone moved to purchase 7,000 refrigerator magnets advertising the Livability Hotline number in an amount not to exceed \$2,500 to be taken from Municipal Accommodations Taxes; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.**

**D. Award of Contract to Technology Solutions in an amount not to exceed \$3,200 for the wireless accessibility to the Front Beach surveillance cameras to be paid from the Public Safety Building Contingency Fund**

Administrator Tucker explained that, with the construction of the Public Safety Building, connection from City Hall to the Front Beach surveillance cameras was lost; the contract being awarded is to provide the connection between the Public Safety Building and the surveillance cameras.

Councilmember Bettelli added that the quote is only for connectivity; no new cameras are to be purchased.

Lieutenant Wright explained that the equipment in the Public Safety Building is new and different from what was in City Hall; therefore, the equipment from City Hall cannot be used.

**MOTION: Councilmember Bettelli moved to award the contract to Technology Solution in an amount not to exceed \$3,200 for the wireless accessibility to the Front Beach surveillance cameras; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.**

**E. Award of Contract to Nafeco, Inc. in the amount of \$11,085 for one (1) thermal imaging camera as budgeted for the Fire Department**

Administrator Tucker noted that Chief Graham, as requested by the Public Safety Committee, had investigated pricing from other vendors on the ISG thermal camera and found other vendors to be higher than Nafeco.

**MOTION: Councilmember Buckhannon moved to award a contract to Nafeco, Inc. in the amount of \$11,085 for one (1) ISG thermal camera; Councilwoman Bergwerf seconded.**

Councilmember Stone cited the extreme economic conditions as he questioned the real need versus desire for this camera and expressed his opposition to the purchase.

Councilmember Bettelli explained that City Council had studied all of the departmental purchase requests in the 2009-2010 budgeting process and eliminated or postponed to later years many items. Councilmember Buckhannon added that it was important to public safety that each district on the island have a thermal camera at its disposal as it was a first line of defense.

**Call for the Question: The motion PASSED on a vote of 8 to 1 with Councilmember Stone casting the dissenting vote.**

- F. Award of Contract to Love Chevrolet, Columbia, South Carolina in the amount of \$19,484.00 (State Contract pricing) for one (1) Chevrolet Impala police sedan, as budgeted, to be funded from Municipal Accommodations Taxes.**
- G. Award of Contract to Love Chevrolet, Columbia, South Carolina in the amount of \$38,180.00 (State Contact pricing) for two (2) Chevrolet Impala police sedans, as budgeted; one to be funded through State Accommodations Taxes and the second to be funded from the Victim Advocate's Fund.**

Administrator Tucker commented that these purchases are to replace vehicles on the City's cyclical replacement schedule.

**MOTION: Councilmember Bergwerf moved to purchase the vehicles as described; Councilmember Bettelli seconded.**

Councilmember Duffy asked the Administrator to review the City's replacement policy for the newly elected members of the Committee. She explained that the City has established a six-year (6 year) cycle for replacement of vehicles; she noted that, through experience, the City has learned that, once its vehicles reach the "out years," they become service-intensive and are frequently out of service. Councilmember Buckhannon noted that the City has, historically, received reasonable prices for the vehicles at auction after six years' use. In addition, Councilmember Bettelli explained that maintaining the vehicle rotation aided in better budget planning.

**Call for the Question: The motion PASSED on a vote of 8 to 1 with Councilmember Stone casting the dissenting vote.**

## **8. Miscellaneous Business**

Mayor Cronin reported that the City would enter into discussions with Comcast Cable on the franchise agreement between the cable company and the City; he indicated that the City has the option to change the fee from three up to five percent (3-5%). Administrator Tucker explained that she had been advised by the Municipal Association to talk with a consultant about the possibilities.

Councilmember Loftus stated that an increase in the franchise fee would be a backdoor tax increase that he could not support; he supported being more efficient rather than increasing taxes.

### **A. Budget Calendar for 2010**

Mayor Cronin referred Committee members to the schedule in the meeting packets indicating that the budget process for FY 2011 would begin with Committee meetings in February.

Administrator Tucker explained that each Councilmember would be provided with a copy of the ten-year (10 yr) capital plan that was revised in 2009; there could be some additions if a situation had presented itself over the past year that warranted a change or there could be items moved to another year because they do not require replacement at this time.

The Administrator stated that the decision had been made to re-visit a schedule referred to as “the dream list” that records projects of interest to the City that exceed a quarter of a million dollars (\$250,000) in cost.

With first reading of the budget scheduled for April, the City had ample time to finalize a budget before the state-mandated deadline for completion of June 30, 2010.

**B. Announcement of no 2010 rate increase for Workers Compensation and Property and Liability Insurances**

Administrator Tucker related that the rates charged to the City for property and liability insurance will not increase for 2010; the Workers Compensation rates will also remain the same. Other factors contributing to keeping Workers Compensation insurance low are the City’s perfect score on the Safety Audit and a low experience rating.

When Mayor Cronin asked if there was other “Miscellaneous Business” to come before the Committee, Councilmember Loftus stated that he was interested in expanding the City’s visibility. He proposed that the City develop two (2) handouts – one directed at visitors and another directed at people interested in relocating. He suggested that the City purchase kiosks to be placed in public buildings containing the City’s brochures and that the City pay for the kiosks from funds generated by charging local businesses to place their flyers in the City’s kiosks.

**MOTION: Councilmember Loftus moved for the Administrator to develop brochures for the City; Councilmember Bergwerf seconded.**

Mayor Cronin sought to clarify Councilmember Loftus’ motion as one where the Administrator would develop a plan; Councilmember Loftus concurred.

Administrator Tucker related that the City had a brochure several years ago, but that it had not been reprinted because the ATAX Committee was looking into revising it. As the ATAX Committee had transitioned, the project had become lost. Mayor Cronin suggested involving the ATAX Committee again.

**Call for the Question: The motion PASSED UNANIMOUSLY.**

**9. Executive Session - None**

**10. Adjourn**

**MOTION: Councilmember Buckhannon moved to adjourn the meeting at 7:10 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk