

Ways and Means Committee
5:45 p.m., Tuesday, July 20, 2010

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, July 20, 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, Stone and Thomas, Mayor Cronin, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. The absence of Councilmember Piening was excused; there was quorum present. Westy Westmoreland of SCE&G was also present.

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

MOTION: Councilmember Duffy moved to approve the minutes of the regular meeting of June 15, 2010 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments**

Charles Wuycik, 20 Beachside Drive, stated that his purpose for appearing before the Committee was to propose that the City discontinue the July 4th fireworks displays. He referenced the agenda for this meeting that was seeking approval for the fireworks displays for the coming three (3) years at a cost of twenty-five thousand dollars (\$25,000) per year and the purchase of a new truck for the Fire Department at twenty-five thousand one hundred forty dollars (\$25,140) which is only one hundred forty dollars (\$140) more. He noted that in good economic times, he thought there were better ways for the City to spend taxpayer dollars. Mr. Wuycik then produced a bag of debris that he had collected from this yard after a fireworks display that included fuses and noted that pieces had landed still glowing or in flames. The third justification offered by Mr. Wuycik was based on the traffic gridlock that ensues as the onlookers try to leave the island, he suggested that the fireworks were obviously not presented for the good of the island's residents, but for outsiders.

Jim Raih, 20 41st Avenue, stated that the axle on jet ski he purchased from the City has rusted through; when it broke in two (2), the tire and rim also broke. He cautioned the City Council that there are valid reasons for the replacement schedule that the City has developed and that Council should follow its direction when replacing public safety equipment.

4. **Financial Statement – City Treasurer Debbie Suggs**

A. June Financial Statement

Treasurer Suggs began her presentation with a reminder to the Committee that the figures that she was offering were very preliminary and unaudited. General Fund revenues were at ninety-nine percent of budget, and the Treasurer estimated that the City would collect an additional two hundred twenty-five thousand dollars (\$225,000) that would be accrued to June 30, slightly exceeding FY10 budgeted revenues. Directing attention to pages 18 and 19 of the financial data, the Treasurer made the following comments relative to revenue sources:

- Property taxes exceed budget by approximately sixty-two thousand dollars (\$62,000) with one (1) additional month to collect at an estimated fourteen thousand dollars (\$14,000);
- Local Option Sales Taxes have two (2) months' collections yet to be received which should be about ninety thousand dollars (\$90,000) and will be less than budgeted;
- Telecommunications Licenses are over budget by nearly nine thousand dollars (\$9,000);
- Court-generated Revenues will have approximately seventeen thousand dollars (\$17,000) added for June;
- Approximately thirty-five thousand dollars (\$35,000) are yet to be collected from Comcast toward Public Utilities;
- Fourth quarter revenue for State Shared Funds of nearly thirty thousand dollars (\$30,000) has not been received;
- Residential Rental Licenses are some twenty-nine thousand dollars (\$29,000) over budget;
- Parking Lot revenues have exceeded budget by more than fifteen thousand dollars (\$15,000);
- Rec Instructors revenue has exceeded the budget by nearly twenty-three thousand dollars (\$23,000);
- One (1) quarterly payment is due for State Accommodations Taxes, and it is expected to be around twenty-thousand dollars (\$20,000);
- Parking Meter revenue is one hundred percent (100%) collected and is almost twenty-three thousand dollars (\$23,000) over budget;
- Approximately forty-five thousand dollars (\$45,000) remains to be recorded for Transfers In for fourth quarter expenses for personnel paid from other funds; and
- A Transfer out in the amount of twenty-two thousand nine hundred seventy-five dollars (\$22,975) remains to be made as well.

These changes will add two hundred twenty-eight thousand dollars (\$228,000) to revenue.

On the date that the financial statement was produced, General Fund expenditures were ninety-six percent (96%) of budget for the year. According to Treasurer Suggs, the fact that the City has ended the year under budget can be attributed to very specific things, such as a savings to budget in fuel across all departments of sixty-six thousand dollars (\$66,000), ninety-five thousand dollars (\$95,000) in Workers Compensation premiums, forty thousand dollars (\$40,000) in property and liability insurance premiums, in addition to seventy-two thousand dollars (\$72,000) in payroll and fringes due to turnover and one (1) officer on active duty in the military in the Police Department and one (1) vacancy for most of the year in the Public Works Department.

The Treasurer also reported that all other funds, based on her computations at this time, would end the year better than budget.

Treasurer Suggs noted that certain projects planned for FY10 were carried forward to FY11 including the City Hall renovations, the construction work on the 54th-57th Avenue drainage project and the engineering and permitting for dredging.

At the printing of the reports, the City had approximately three million dollars (\$3,000,000) invested with BB&T and the Local Government Investment Pool earning just at four tenths of a percent (0.4%) interest. The amount of cash available was thirty-two percent (32%) of annual General Fund Expenditures.

Councilmember Loftus asked the Treasurer about her predictions for the final year-end figures, and she continued to project a surplus of three hundred fifty thousand to four hundred twenty-five thousand dollars (\$350,000-425,000).

Councilmember Stone wanted the record to reflect that this money was not a surplus but an amount under budget.

Administrator Tucker stated that the best budget is one that has revenues and expenditures zeroing one another out unless the entity discovers a new source of revenue or additional revenue from an existing source. The under-budget condition that is anticipated in the FY10 year can be attributed primarily to unfilled positions and projects not accomplished, as Treasurer Suggs stated earlier.

B. Tourism Schedules

State Accommodations Taxes has not changed from the last reporting because the fourth quarter payment has not been received.

Municipal Accommodations Fees have increased slightly over the same period in FY09.

The Charleston County Accommodations Tax Pass-through is paid semi-annually and the second payment has not been received, but is expected to be the same as the first.

Hospitality Taxes for June were very good at sixty thousand dollars (\$60,000) with twenty-nine (29) payers and one (1) delinquent remittance of three thousand dollars (\$3,000).

C. Project Worksheets

1. Beach Restoration had very little financial activity other than legal fees and the payment for May monitoring inside the project area.
2. Public Safety Building – no activity in June
3. 52nd – 57th Avenue Drainage Project paid one (1) engineering fee for the amended project design. Mayor Cronin informed the Treasurer that the City has received a letter saying that the City will be awarded an additional one hundred thousand dollars (\$100,000) from the County's transportation funds.
4. Report on Bids for New Garbage Packer – Treasurer Suggs stated that she has received two (2) bids for the equipment lease, but the official bid opening would take place at 4 p.m. on Wednesday, July 21. Once the lowest bidder is determined, the ordinance will be posted to meet the five-day posting rule, and the ordinance will be before Council for First Reading at the July meeting.

Councilmember Loftus asked about the cost of the packer and was told it was one hundred sixty-five thousand six hundred sixty-seven dollars (\$165,667). A discussion followed on the merits of buying versus leasing high dollar equipment. The Treasurer was asked to produce an analysis of the City's debt, payments and payoff information for the July Council meeting.

5. **Old Business - None**

6. **New Business**

A. Recommendations from the Public Safety Committee

1. **Award of a Contract to Jones Ford in the amount of \$25,140 for one (1) budgeted Ford F150 Truck, State Contract Pricing.**

MOTION: Councilmember Loftus moved to award a contract to Jones Ford in the amount of \$25,140 for one (1) Ford F150 truck; Councilmember Bettelli seconded and the motion **PASSED UNANIMOUSLY**.

2. **Award of a Contract to Nafeco in the amount of \$11,456.63 for one (1) budgeted Thermal Imaging Camera with accessories.**

MOTION: Councilmember Bettelli moved to award a contract to Nafeco in the amount of \$11,456.63 for one (1) budgeted Thermal Imaging Camera with accessories; Councilmember Bergwerf seconded and the motion **PASSED UNANIMOUSLY**.

3. **Award of a Contract to Zambelli's in the amount of \$25,000 /year for July 4, 2011-2013 fireworks displays.**

MOTION: Councilmember Stone moved to award a contract to Zambelli's in the amount of \$25,000 per year for July 4, 2011-2013 fireworks displays; Councilmember Buckhannon seconded.

Councilmember Buckhannon questioned that the contract was for more than one (1) year as it has been in the past; Administrator Tucker stated that Zambelli's was anticipating a rate hike, but offered to hold the price if the City would commit to three (3) years. Zambelli's has also agreed that the City would not be held to the agreement should the funds not be budgeted for any year.

Administrator Tucker and Mayor Cronin confirmed to Councilmember Duffy that the fireworks display was paid through State Accommodations Taxes.

Mayor Cronin referenced Mr. Wuycik's comments at the beginning of the meeting and asked Chief Graham if the debris problem Mr. Wuycik had described was common; the Chief said that the location of the falling debris was totally dependent upon the direction in which the wind was blowing and that the Fire Department personnel tried to pickup as much as they could. When asked if there had been any fires started by the debris, she stated that some small brush fires have started, but the Fire Department has purchase an environmentally safe product that can be sprayed on dry brush when there is a concern.

Since Mr. Wuycik had mentioned the traffic gridlock after the fireworks display, Mayor Cronin asked Chief Buckhannon if accidents had occurred that were more serious than fender-benders, to which Chief Buckhannon responded that the City had experienced one (1) serious accident

on the Connector. Administrator Tucker stated that a traffic jam was likely to occur with or without a fireworks display as visitors and residents would be leaving the island to attend fireworks displays in other parts of the Charleston area.

Councilmember Loftus stated that the City was working with Charleston County for the construction of a second lane of through traffic to the Mount Pleasant side of the Connector bridge to alleviate some of the traffic gridlock exiting the island.

VOTE: The motion PASSED UNANIMOUSLY.

B. Recommendation from the Public Works Committee

To award a contract to Eadie's Construction in the amount of \$438,200 over five years for drainage maintenance.

Councilmember Duffy stated that the RFP had elicited two (2) responses; the other bid was for three million six hundred thousand dollars (\$3,600,000) over three (3) years.

Mayor Cronin noted that Eadie's bid was lower than the present contract as a result of the work they have done over the past five (5) years.

Councilmember Loftus asked Director Pitts if he had been satisfied with the work that Eadie's has done; the Director responded that, with the exception of Year 2, the work had been very good. Councilmember Buckhannon commented that Eadie's had upgraded much of their equipment used to clear the ditches.

MOTION: Councilmember Duffy moved to award a contract to Eadie's Construction in the amount of \$438,200 over five (5) years; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, August 17, 2010

8. Executive Session - None

9. Adjourn

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:35 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk