

**Ways and Means Committee**  
5:45 p.m., Tuesday, October 18, 2011

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, October 18, 2011 in Council Chambers of City Hall located at 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, Assistant to the Administrator Dziuban and City Clerk Copeland. Councilmember Piening's absence was excused, and a quorum was 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. Approval of Previous Meeting's Minutes**

**MOTION:** Councilmember Loftus moved to approve the minutes of the regular meeting of September 20, 2011 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Financial Statement** – Treasurer Suggs

**A. September Financial Statement**

Treasurer Suggs noted that the September reports reflect financial activity through the first quarter of the fiscal year. General Fund revenues are eleven percent (11%) collected, slightly higher than collections for the same period in FY11. The Treasurer pointed out that both business licenses and building permits revenues are up considerably from FY11, which she described as "indicative of growing economic activity" on the island. Property tax collections are less than FY11 because the City did not receive a payment in September; the payment of twenty thousand dollars (\$20,000) arrived in October, and, adding that amount, collections are actually ahead of the same period in FY11. General Fund expenditures are at twenty-one percent (21%) of budget with a target through three (3) months of twenty-five percent (25%); all departments are under budget with the exception of Beach Services Officers that will have no further expenditures until the spring of 2012. General Fund cash is at the end of September was at twenty-four percent (24%) of annual expenditures; the City's General Fund cash will continue to trend down through the end of the calendar year until property tax collections begin to flow in the first quarter of 2012.

**B. Tourism Schedules**

State ATAX is paid quarterly, and the City has not received a payment for the quarter ended September 30, 2011.

Municipal Accommodations Fees collections for September were in excess of ninety-nine thousand dollars (\$99,000); collections are running fourteen percent (14%) ahead of FY11.

Charleston County Pass-through is paid semi-annually; therefore, no distribution has been made.

Hospitality Tax collections are lower than FY11 due to the same delinquent payer noted in the September meeting; the expected payment is fifteen to twenty thousand dollars (\$15,000 to \$20,000).

### **C. Projects Status**

1. Beach Restoration – The solitary payment for September was to Coastal Science and Engineering for post-project monitoring for Year 3. Spending to-date on this project is approximately nine and a half million dollars (\$9,500,000) with approximately nine hundred ten thousand dollars (\$910,000) remaining to spend.
2. 53<sup>rd</sup> to 57<sup>th</sup> Avenue Drainage – Construction payment #8 was paid to Eadie's Construction in September; punch list items are being addressed. The balance remaining for this project exceeds one hundred forty-five thousand dollars (\$145,000).

Administrator Tucker commented that the releases have been received from the permitting agencies. In addition, the Administrator reported that she has opened a dialogue with Charleston County regarding the use of the balance of funds for the next phase of drainage; Charleston County personnel suggested that the next phase could possibly be a continuation of this project rather than a totally new request.

Responding to Councilmember Stone's inquiry, the Administrator explained that the City's most recent request for funds from the Transportation Sales Taxes was not granted; she indicated her belief that, having been very generous to the City in the past, the Committee may have felt the need to grant funds to other local governments.

3. City Hall Renovations – Treasurer Suggs explained that she would like to keep this worksheet open until expenses related to the demolition of 1301 Palm have been realized; ninety-nine thousand dollars (\$99,000) remain available for this project.

### **5. Old Business – None**

### **6. New Business**

- A. Recommendation from the Public Works Committee to award a contract to Jones Ford to purchase one (1) Ford F150 in an amount not to exceed \$28,443, state contract pricing**

**MOTION: Mayor Cronin moved to award a contract to Jones Ford for one (1) Ford F150 at a price not to exceed \$28,443; Councilmember Bergwerf seconded.**

The Mayor noted that this was a budgeted expenditure to replace the 2002 garbage shuttle; the budgeted amount was twenty-eight thousand dollars (\$28,000).

**VOTE: The motion PASSED UNANIMOUSLY.**

**B. Recommendations from the ATAX Committee**

**1. Approval for \$15,000 to 2012 Spoleto Festival**

**MOTION: Councilmember Loftus moved to approve \$15,000 for the 2012 Spoleto Festival; Councilmember Bettelli seconded.**

Responding to a query from Councilmember Buckhannon, Administrator Tucker reported that the City has contributed fifteen thousand dollars (\$15,000) to Spoleto each year since 2006; in 2005 the contribution was ten thousand dollars (\$10,000).

**VOTE: The motion PASSED UNANIMOUSLY.**

**2. Approval for \$15,000 to Patriots Point Naval and Maritime Museum Foundation for Study**

**MOTION: Councilmember Bergwerf moved to approve \$15,000 for the study; Councilmember Bettelli seconded.**

As discussion began, Ron Plunkett, a board member for the Patriots Point Foundation, moved to the podium to describe this endeavor and to answer questions.

Mayor Cronin read the Foundation's objectives as stated on the ATAX application as follows:

“fundraising to assist in the expansion and improvements. . . , to build an endowment. . . , encouraging annual giving. . . in cooperation with the administration of the Naval and Maritime Museum and the Patriots Point Development Authority. . .”

The Mayor commented that a study is not referenced.

Mr. Plunkett responded that the Foundation exists to support the mission of Patriots Point to have a teaching tool and to display history. He explained that the Foundation is made up entirely of volunteers and has no budget; the Foundation is “a fundraising arm.” Previous projects funded through the efforts of the Foundation include the installation of the handicapped elevator at the Yorktown and an educational center in the bow of the ship, as well as history and patriotism programs.

The Patriots Point Development Authority is appointed by the state, but receives no state funding to support the Yorktown. In an effort to make Patriots Point and the Yorktown world-class destinations, the members of the Foundation determined that a study was necessary to develop a master plan for the entire site. The Foundation has contracted with Peckham, Guyton, Albers and Viets, Inc. (PGAV) of St. Louis for the study; the firm is one of the foremost museum planners in the country. Mr. Plunkett stated that the purpose of the two hundred twenty-five thousand dollar (\$225,000) study is to generate a plan for turning Patriots Point into a reason for people to come to Charleston.

Mayor Cronin asked for clarification about the Foundation's taking the leadership role over the Development Authority; he also questioned that their actions could generate conflict with the Development Authority.

Mr. Plunkett said that the two (2) groups were working in harmony and that the Development Authority had put their plans on hold awaiting the work product from PGAV. Mr. Plunkett referred to an article in *The Post and Courier* today that had referred to the master plan being developed and that the Development Authority has postponed any decisions until the plan is presented to them. (A copy of the article is attached to the historical record of this meeting.) In addition, Mr. Plunkett reported that members of the Development Authority have been involved in several meetings the Foundation has had with PGAV; in his words, "we have two groups, but we are in complete agreement."

Councilmember Buckhannon expressed concern that, once the study is complete, it must go before the Development Authority Board "for their blessing" to act on the study. Mr. Plunkett described the study as the impetus to get things going and stated that the City could look back in five to seven (5-7) years with pride when the project is complete that it had contributed to it.

Councilmember Buckhannon followed up by asking where the funds would come from to develop the site, assuming the Development Authority board decides to act on the study. Mr. Plunkett responded that he was confident that the study would provide for several new hotels and restaurants to be built on the site. To which Councilmember Buckhannon commented that more hotels at that location would draw people away the Isle of Palms accommodations.

Mr. Plunkett informed the Committee that the PGAV study had three (3) parts, one of which has been completed; therefore, the study should be paid-in-full by completion, which is expected to be in the first quarter of 2012.

Councilmember Bergwerf stated that the Foundation was in a conundrum in that it needed the money to have the plan and they cannot have the plan until they have the money, and the City is "stepping up." She described the Yorktown as an icon for the City and supported the City's involvement.

Mayor Cronin noted that this proposal is more abstract than most proposed uses of ATAX funds and that any return was in the distant future.

Councilmember Duffy responded that seed money is always necessary in order to make something happen. He expressed that he was impressed with the firm generating the study, and he thought the funding represented money well-spent.

Councilmember Stone stated that he did not think the Committee should be taking money from the citizens of the island for this purpose, but he encouraged individual citizens to contribute to it if they were so inclined. To which Mr. Plunkett responded that members of the Foundation were going to all of the local governments seeking funds; the Town of Mount Pleasant has already given them twenty-five thousand dollars (\$25,000), and they were hoping to get a like amount from the City of Charleston. Mr. Plunkett added that, just as the Spoleto Festival is a world-class event, his group is working to make Patriots Point a world-class destination as well.

Councilmember Loftus asked for confirmation from Mr. Plunkett that this was a one-time request; Mr. Plunkett said that was correct. He remarked that once the study was complete, it would be turned over to the Development Authority and it would be up to them to carry it out.

Councilmember Duffy voiced his opinion that this study was about increasing tourism and about being a member of the tri-county community.

Administrator Tucker questioned how the Foundation had managed to enter into a contract when it did not have the money to pay for it; Mr. Plunkett responded, "Faith." He added that the Foundation had been "knocking on doors" to raise the needed funding just as they had done to finance the handicapped elevator.

The Administrator continued that, if the Foundation did not accumulate the money to make a payment on the contract and the contract cannot be fulfilled because PGAV stops working, will the City get its money back. Mr. Plunkett acknowledged that the Foundation does have some funds available, and he expressed confidence that the contract will be paid in full.

**VOTE: The motion PASSED on a vote of 6 to 2; Councilmembers Buckhannon and Stone cast the dissenting votes.**

**C. Recommendations from the Public Safety Committee**

- 1. Award of a contract to Herndon Chevrolet in the amount of \$59,871, state contract pricing, for 3 budgeted Chevrolet Impalas**

**MOTION: Mayor Cronin moved to award the contract to Herndon as stated; Councilmember Bettelli seconded.**

The Mayor indicated that the amount budgeted had been twenty-three thousand dollars (\$23,000) per vehicle, and he confirmed with Chief Buckhannon that the balance of the budget would be used to outfit the patrol vehicles.

**VOTE: The motion PASSED UNANIMOUSLY.**

- 2. Approval of up to \$9,000 of unbudgeted expenses for installation of Metro-E data line, purchase of Cisco router, firewall and programming changes to the records management system associated with the move to Consolidated Dispatch.**

**MOTION: Mayor Cronin moved to approve the unbudgeted expenses as stated; Councilmember Bettelli seconded.**

Councilmember Bettelli reported that these expenses had been anticipated for the FY13 budget, but the process is ahead of schedule.

**VOTE: The motion PASSED UNANIMOUSLY.**

## **7. Miscellaneous Business**

Administrator Tucker informed the Committee that staff is working on a new project status report related to marina dredging; it should be presented at the November meeting.

Councilmember Stone commented that the thirty thousand dollars (\$30,000) approved at the September meeting will not have to be spent.

Mayor Cronin reminded the Committee of the Special City Council meeting at 5:45 p.m. on Thursday, October 20, 2011 when Council will go through the calculations related to the County's reassessment of property values and the impact on the millage.

The Mayor noted that the auditors will make their annual presentation of the City's financial position at the end of FY11 at the regular meeting of October 25.

Administrator Tucker reported that all City tenants were current with their rent.

**Next meeting date: 5:45 p.m., Tuesday, November 15, 2011**

**8. Executive Session** – not necessary

**9. Adjourn**

**MOTION: Councilmember Loftus moved to adjourn the meeting at 6:32 p.m.; Councilmember Duffy seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk