

WAYS and MEANS COMMITTEE
5:45 p.m., Tuesday, November 15, 2011

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, November 15, 2011 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 Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. 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 Buckhannon moved to approve the minutes of the regular meeting of October 18, 2011 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Financial Statements** – Treasurer Suggs

A. October Financial Statement

The financial statement for review was through October 2011, the fourth month of the fiscal year FY12; therefore, the target for expenditures is thirty-three percent (33%). General Fund revenues were at thirteen percent (13%) of budget, which is slightly ahead of revenues for the same period in FY11; expenditures are at twenty-seven percent (27%) of the annual General Fund budget, which is one percent (1%) lower than the same period in FY11. Treasurer Suggs directed attention to Property Tax revenue of thirty-seven thousand dollars (\$37,000) and noted that the figure reflects receipts through August; the Treasurer surmised that Charleston County is behind due to the re-assessment work. Total cash of one million eight hundred thousand dollars (\$1,800,000) represents twenty-two percent (22%) of annual General Fund expenses. Through October, all departments, except Beach Services Officers, are below budget.

Mayor Cronin asked the Treasurer how the delay in delivery of the property tax bills would affect the City's cash flow and what the City would do to handle a shortfall at the beginning of the 2012. Treasurer Suggs responded that the City has funds that it can borrow from for short periods of time, like the Disaster Recovery Reserve or Capital Projects Funds that is unrestricted.

B. Tourism Schedules

State Accommodations Tax – The September quarter's collections were approximately half of the total for FY11. In responding to Councilmember Loftus' query into what drove the increase, Mayor Cronin explained that, as had been discussed at Ways and Means meetings in 2011, collections from the state were not following the trends indicated by the Municipal Accommodations Taxes from Charleston County. Both Treasurer Suggs and Administrator Tucker repeatedly contacted the Department of Revenue for an explanation with no success; the

Administrator then enlisted the assistance of the Municipal Association to resolve the matter. As recently as a couple of weeks ago, the Municipal Association was informed that the City had been correct and had been shorted in 2011. Since 2011 collections should have been materially higher, the increase in 2012 appears larger than it actually is; the correction to the 2011 collections will be paid to the City with the collections for the quarter ending December 2011.

Municipal Accommodations Fee – Collections year-to-date are nine percent (9%) higher than for the same period in FY11.

Charleston County Pass-through – Paid semi-annually.

Hospitality Tax – Collections continue to track downward primarily because one (1) taxpayer is three (3) months in arrears; this taxpayer has been behind before and does pay what is due along with the finance charges that have accrued.

C. Project Status

1. Beach Restoration – Payments were made to Coastal Science and Engineering for post-project monitoring for Year 3 and permitting for the remedial project. Treasurer Suggs informed the Committee that this schedule would change to remove the post-project monitoring costs to establish a new schedule specifically for monitoring of the entire island.
2. 53rd to 57th Avenue Drainage – A payment was made to Civil Site Environmental for technical support and engineering. Responding to Councilmember Loftus' query about the remaining balance of one hundred forty-five thousand dollars (\$145,000), Administrator Tucker listed the following as remaining to be done:
 - Receipt and payment of final invoices; and
 - Submit paid invoices to Charleston County to account for and reconcile grant funds.

Once the remaining balance has been confirmed, the City will need to decide how to proceed; in informal discussions, consideration has been given to the design and engineering for the 46th to 52nd Avenue basins.

3. City Hall Renovation – The final construction payment of five thousand dollars (\$5,000) was made to Wilson and Associates early in November. In answer to Councilmember Stone, the Treasurer stated that, on this schedule, twenty-eight thousand dollars (\$28,000) was for the demolition and site rehab for 1301 Palm; included in the FY12 budget was fifteen thousand dollars (\$15,000) for work to rehab the building for rental purposes.
4. Dredging – Treasurer Suggs reported that the thirty thousand dollars (\$30,000) designated for sediment sampling and analysis will be reduced to one thousand

dollars (\$1,000); the money was spent in generating the plan for the work, which was not a requirement when the permit was issued.

5. Old Business – None

6. New Business

A. Recommendation from the Public Works Committee to award a contract for Commercial Waste Hauling to Carolina Waste Services at \$0.47 per cubic yard

MOTION: Mayor Cronin moved to award a contract to Carolina Waste Services as stated above; Councilmember Duffy seconded.

Mayor Cronin commented that the summary of the three (3) bids received for the commercial waste hauling RFB had been included in the meeting packet.

Administrator Tucker noted that Carolina Waste Services is the current vendor to the City for this service. Since this contract is only bid every five (5) years, the Administrator explained that the City pays for dumpsters and the servicing of those dumpsters to businesses on the island; previous Councils have considered this as a way to nurture the island's businesses. Staff opines that the current vendor's bid was so low in order to avoid the expense of removing their dumpsters from the island. The current contract price is eighty-five cents (\$0.85) per cubic yard, and the amount in the FY12 budget is based on that price. The contract is for one (1) year with four (4) renewals.

Councilmember Stone questioned that the price was locked in for five (5) years at forty-seven cents (\$0.47) per cubic yard, and Administrator Tucker repeated that the contract was for one (1) year with four (4) renewals. Assistant Dziuban stated that the price was locked; if the vendor was unable to live with the price, they could give notice that they are unwilling to renew. Should that occur, the City would rebid the contract.

Administrator Tucker informed the Committee that Charleston County charges solid waste disposal fees associated with these dumpsters; the City is the recipient of the billing and does bill back the businesses for their share.

Councilmember Loftus asked whether commercial recycling was a consideration in this contract; Director Pitts noted that ten to twelve (10-12) cardboard recycling containers are available for businesses on the island. Carolina Waste Services empties those containers as well.

VOTE: The motion PASSED UNANIMOUSLY.

B. Recommendations from the Public Safety Committee

Councilmember Duffy asked whether these devices aided with the collection of fines, as well. Administrator Tucker responded that this was the three (3) year service contract on the handheld ticketing devices the City owns.

Councilmember Loftus added that the provider is a sole source in that this is the unique product that is compatible with the equipment the City already owns.

VOTE: The motion PASSED UNANIMOUSLY.

1. Award a Contact to Martel Electronics for \$13,575.70, state contract pricing, for 4 Digital In-car Video Cameras, included in the FY12 Capital Budget

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

Councilmember Buckhannon asked how many VHS cameras will remain in service; Councilmember Bettelli replied that the City would be completely digital with cameras purchased from the FY13 budget.

VOTE: The motion PASSED UNANIMOUSLY.

C. Recommendations from the Real Property Committee

1. Award a Sole Source Contract to Coastal Science and Engineering for Beach Monitoring for 2012-2014 in the amount of \$160,702

MOTION: Mayor Cronin moved to award the sole source contract for beach monitoring for 2012-2014 to Coastal Science and Engineering for \$160,702; Councilmember Stone seconded.

The Mayor explained that this monitoring and beach profiling would be for the entire island for a three (3) year period.

VOTE: The motion PASSED UNANIMOUSLY.

2. Award a Sole Source Contract to Coastal Science and Engineering for the Engineering, Design and Construction Administration of the Shoal Management Project in an amount not to exceed \$260,499, which includes a contingency of \$141,201 for Environmental Monitoring.

MOTION: Mayor Cronin moved to award the sole source contract to Coastal Science and Engineering for the Shoal Management Project as stated; Councilmember Stone seconded.

The Mayor indicated that, if the Corps of Engineers does not require environmental monitoring in the permit, the funds earmarked for that purpose will not be expended. Dr. Tim Kana of Coastal Science and Engineering was in attendance, and the Mayor asked him whether the

Corps had issued the permit for the project. Dr. Kana stated that Steven Traynum, the project manager, had spoken with the Corps earlier in the day and had been told that the permit is being written and does not include environmental monitoring.

VOTE: The motion PASSED UNANIMOUSLY.

3. Approval to Increase the Dredging Project Budget to \$646,165 with the additional funds, not in the FY12 budget, to come from the Unreserved Marina Fund

MOTION: Mayor Cronin moved to increase the dredging budget to \$646,165, with the un-budgeted amount coming from the Unreserved Marina Fund; Councilmember Loftus seconded.

Mayor Cronin informed the Committee that the balance in the Unreserved Marina Fund was one million one hundred eighty-nine thousand five hundred dollars (\$1,189,500) at June 30, 2011. The issues that have generated the need for additional funds are as follows:

- Taking the spoil material to a different, more distant site;
- Dredging to a depth of twelve (12) feet;
- Expanding the scope into the IntraCoastal Waterway; and
- Acting independent of other stakeholders.

VOTE: The motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

MOTION: Councilmember Loftus moved for the City to withdraw from procurement of 3206 Palm Boulevard; Councilmember Buckhannon seconded.

Councilmember Loftus stated that, as he campaigned, the general feedback from the majority of people to whom he spoke was that the cost outweighed the value to residents of the island and that it could become "a public nuisance."

Councilmember Thomas agreed with comments that residents would not use in the way intended; he thought the money could be put to a better use.

Councilmember Bettelli indicated that he had heard comments both for and against the property acquisition and was of the opinion that Council should "hold public meetings to explain where the money is coming from, what the options are, and the real vision" for the site. He stated that he sees the purchase "as an opportunity to preserve a section of true maritime forest."

Councilmember Piening repeated his personal feeling that the purchase was good idea and complimented the City's staff for the work put into it to this point. He, too, commented that the voices he had heard while campaigning were opposed to it; he remarked that he had been elected to Council to do what the people want, and it was clear to him that the people do not want the City to purchase this lot.

Councilmember Loftus added that the comments he heard “were overwhelmingly against” the purchase of this property primarily for the price; voters said the money should be sent back to Charleston County. The Councilmember suggested that Council had not done a good job explaining to residents the value to them of the City’s acquiring the property.

Having initially voted in favor of the purchase, Councilmember Bergwerf voiced her opinion that this purchase has been “grossly misunderstood” throughout the island; many residents were of the opinion that their tax money of one million three hundred thousand dollars (\$1,300,000) was going to be spent. Councilmember Bergwerf indicated that she was in favor of Councilmember Bettelli’s suggestion of a public meeting to disseminate accurate information and to get input from the community.

In contrast, Councilmember Duffy expressed continued support for the City’s acquisition of 3206 Palm; he voiced his opinion that one of Council’s responsibilities was to think about posterity – what the island is going to be. He stated that “having a piece of maritime forest remain untouched on this island . . . is an unbelievable benefit to posterity.” He acknowledged that there are no guarantees that the City will get the funds necessary to buy the property, but he was not happy to see the City give up without “giving it (the City’s) best shot.”

Mayor Cronin concurred that Council had heard the voice of the citizens and that he preferred to do something that would get overwhelming support.

VOTE: The motion PASSED on a vote of 8 to 1; Councilmember Duffy cast the dissenting vote.

Next Meeting Date: 5:45 p.m., Tuesday, January 17, 2012.

8. Executive Session – not needed

9. Adjourn

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

Respectfully submitted:

Marie Copeland
City Clerk