

## **WAYS and MEANS COMMITTEE**

5:45 p.m., Tuesday, May 10, 2011

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, May 10, 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 and Stone, Mayor Cronin, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. The absence of Councilmember Stone was excused; 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 Meetings Minutes**

**MOTION: Councilmember Bergwerf moved to approve the minutes of the regular meeting of April 19, 2011 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

### **3. Citizens' Comments – None**

**MOTION: Councilmember Bettelli moved to reorder the agenda to discuss the Change Order to Eadie's Construction at this juncture; Councilmember Duffy seconded and the motion PASSED UNANIMOUSLY.**

### **6. New Business**

#### **B. Change Order #3 to Eadie's Construction in the amount of \$12,000**

Administrator Tucker explained that the 53<sup>rd</sup> to 57<sup>th</sup> Avenue Drainage Project had encountered another unanticipated problem, namely a water line that was not located prior to the project or included on as-built drawings of the area. The Administrator stated that the bid package included a price list of the costs of any unplanned materials and labor; the cost to relocate the water line is listed at twelve thousand dollars (\$12,000). Jason Milner, the project manager from Civil Site Environmental was present to answer questions from the Committee.

**MOTION: Councilmember Duffy moved to approve Change Order #3 in the amount of \$12,000 to Eadie's Construction; Councilmember Loftus seconded.**

Councilmember Loftus asked if the added expense would be paid from contingency funds; Administrator Tucker reminded the Committee that this project does not have a specific contingency fund. The funds the City has been granted from Charleston County in excess of the contract of the project are serving as contingency funds; prior to this Change Order, the amount over contract was in excess of one hundred sixty-nine thousand dollars (\$169,000).

Councilmember Thomas asked if a means existed to determine whether other previously unknown problems would occur in the project areas not yet reached. Mayor Cronin stated that locating services had been hired prior to breaking ground to determine what was in the ground and where it was; the water line was plastic, deep in the ground and not picked up by the locator's equipment.

Jason Milner repeated that this water line was not on the original design survey. As the project moves forward, the locating service will be called in again to specify the locations for water, sewer, cable, etc. as well as they can. Since this is the last area within the resort, Mr. Milner expressed confidence that Eadie's should not run into any more large water lines on the beach side of the project.

Mr. Milner informed the Committee that other options for dealing with the water line were discussed, but the recommendation is both the most economical and time-efficient way to deal with it. Additionally, he stated that this is the last area before the outfall and has to be correct.

**VOTE: The motion PASSED UNANIMOUSLY.**

#### **4. Financial Statement – Treasurer Suggs**

##### **A. April Financial Statement**

Treasurer Suggs initiated her comments with a couple of typographical corrections to the cover sheet of the monthly financial statement; the corrections are indicated on the copy included in the historical record of the meeting.

The April financial statement depicts revenues and expenditures through ten (10) months of the fiscal year, and the target is eighty-three percent (83%). In reviewing revenues, she stated that the Local Option Sales Taxes had not changed because the state as late in distributing the April payment; when received in May, the amount was twenty-two thousand five hundred seventy dollars (\$22,570) which changes the percent of budget to sixty percent (60%).

Cash balances through April 2011 equal thirty-four percent (34%) of annual General Fund expenses.

Expenditures for the ten (10) months of the fiscal year are at seventy-five percent (75%) of budget – eight percent (8%) below the target. Treasurer Suggs reminded the Committee that an annual bond payment of ninety-five thousand dollars (\$95,000) and the property and liability insurance premium of one hundred eight thousand dollars (\$108,000) are yet to be made.

Councilmember Loftus asked the Treasurer whether she was concerned about meeting the FY11 revenue budget, and she responded that she was not.

##### **B. Tourism Schedules**

State Accommodations Taxes – The March quarter is typically the lowest quarter, and one (1) quarter is yet to be received. Through three (3) quarters, revenues are nine and a half percent (9.5%) higher than in FY10.

Municipal Accommodations Fees continue to be strong; revenue year-to-date is eighteen percent (18%) higher than in FY10.

Charleston County Pass-through has no change this month because the payments are made semi-annually.

Hospitality Taxes, also, show a ten percent (10%) increase over FY10 for the same period.

### **C. Projects Status**

Beach Restoration Project – Expenditures in April were related to permitting, post-project monitoring and consulting services from Chris Jones for a six (6) month period. Funds remaining for this project are seven hundred seventy-six thousand eight hundred thirteen dollars (\$776,813).

53<sup>rd</sup> to 57<sup>th</sup> Avenue Drainage Project – Treasurer Suggs pointed out that the schedule had been updated to include Change Order #3; April expenditures include two (2) construction payments to Eadie's Construction. Project funds not earmarked for contract work total one hundred fifty-four thousand three hundred one dollars (\$154,301).

City Hall Renovation – Recent expenditures include reconfiguring the underground fiber optic cable to the Public Works offices, roofing repairs, painting, telephones and rekeying locks.

Mayor Cronin mentioned that the Real Property Committee would be discussing the building at 1301 Palm Boulevard at their regular meeting on Wednesday morning.

### **5. Old Business**

#### **Review of FY12 Operating and Capital Budgets**

Mayor Cronin reported that the Accommodations Tax Advisory Committee had unanimously passed the budget in their special meeting of May 4.

Councilmember Bergwerf recalled that Councilmember Buckhannon had expressed the need to study the budget further and to discuss the budget with department heads; she wanted to know what cuts he had in mind. Councilmember Buckhannon stated that he would not be asking for anything at this meeting.

### **6. New Business**

#### **A. Recommendation from the Recreation Committee to approve \$2,712.97 to Berkeley Hearing and Air Conditioning for the replacement of the HVAC compressor in the Palmetto Room**

**MOTION: Councilmember Bergwerf moved to approve funding for the HVAC compressor replacement at the Recreation Center; Councilmember Duffy seconded.**

Mayor Cronin commented that another air conditioning unit had been replaced recently; Councilmember Duffy concurred that a unit in the Cardio room had been replaced, but this unit was in the new part of the building.

**VOTE: The motion PASSED UNANIMOUSLY.**

Councilmember Buckhannon asked if the unit had shown any signs of a lightning strike, and Director Page said none was found.

**7. Miscellaneous Business**

**Next Meeting Date: 5:45 p.m., June 21, 2011**

**8. Executive Session – not needed**

**9. Adjourn**

**MOTION: Councilmember Bettelli moved to adjourn the meeting at 6:10 p.m.; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk