

WAYS AND MEANS COMMITTEE SPECIAL MEETING

5:45 p.m., Tuesday, June 6, 2011

The special meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, June 6, 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, Thomas and Stone, Mayor Cronin, City Administrator Tucker, City Treasurer Suggs, City Attorney Halversen and Assistant to the Administrator Dziuban. 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 in accordance with the Freedom of Information Act.

2. **Review of FY 12 Operating and Capital Budgets**

Administrator Tucker began by reviewing the assignment given to staff as she understood it from the joint meeting of the Planning Commission and City Council as: develop a fiscal plan to include in the FY 12 budget to implement a portion of the parking plan discussed in the meeting to give residents some relief from the impact of beach access parking. The first stage was to install parking nodes in the 40- and 60-foot-wide street extensions along Palm Boulevard in the area of the island from Breach Inlet to 10th Avenue and to make the remaining streets in that area open to residential or owner parking only. The goal was to implement before the next beach season, meaning the budgetary impact had to be considered quickly.

Staff held inter-departmental meetings to assign and review portions of the task as necessary for accomplishment. Staff examined the implementation of the concept. Building Department Director Kerr was tasked with contacting the regulatory agencies and discussing expenses with engineering and design firms and projecting construction costs. Police Chief Buckhannon was tasked with considering enforcement and implementation. City Treasurer Suggs was tasked with creating a budget as the puzzle pieces were identified, which have been incorporated into the draft budget before the Committee tonight. Attorney Halversen, who is present tonight, was tasked with exploring all legal documents associated with the properties on Ocean Boulevard and the street extensions to determine if any legal obstacles existed to the implementation of the plan.

Administrator Tucker called the Committee's attention to photographs (attached to the historical record of this meeting) that included "people markers" indicating the proposed lengths and widths of the project for visual reference.

Administrator Tucker stated that if the Ways and Means Committee approved of the work presented at tonight's meeting, the Committee should then recommend this version of the budget for public hearing and second reading at the June City Council. Also, an Accommodations Tax Advisory Committee Special Meeting would be scheduled in the interim because elements of this version of the budget impact state ATAX.

Director Kerr reviewed what he had learned about the physical elements of the project and what they would require in terms of permitting, bidding and construction. He spoke with three (3) engineering firms: Civil Site Environmental, Seamon & Whiteside, and

Thomas & Hutton. He requested their estimates for design cost, which all estimated could be replicated to some degree among the four chosen street extensions. He also requested estimates for the actual construction of the parking areas. It was determined that the parking nodes would need to be permitted by two (2) agencies. The South Carolina Department of Health and Environmental Controls Offices of Coastal Resource Management (OCRM) would need to issue a land disturbance permit. Director Kerr contacted OCRM and reported that the agency indicated that issuance of the permit was likely because they were primarily concerned with lot disturbance and impervious surface changes. This project would include pervious surface. The South Carolina Department of Transportation (SCDOT) would need to issue the second permit. Chief Buckhannon confirmed with SCDOT that encroachment permits would be necessary for any signage changes and for the "driveway" off any road. Director Kerr summarize that the City believes it would need three (3) permits from two (2) agencies to execute and they all look favorable.

Administrator Tucker reminded the Committee that the OCRM permitting process typically has a public comment period.

Director Kerr indicated that the OCRM permitting process will also require topographical information for each site, which will create additional expense at each site.

To compare "apples to apples," the three firms from which the Director requested bids were given an expected task and a sketch. Each was asked to include an estimate for grading and clearing six inches of sand shell base with a timber border for the rough dimensions of a one hundred twenty (120) foot axis and a four (4) foot wide walking path on the edge in additional sand shell. The cost estimates include a fence, which can be removed should it be determined that the "cons" outweigh the "pros." Costs also included an asphalt driveway access, parking stops throughout the area, signage, grassing the disturbed areas and a twelve percent (12%) construction contingency. Costs of the parking meters were obtained outside of the engineers' estimates.

Mayor Cronin clarified the sequence as needing to complete the design work and topographical surveys before submitting the permit applications. Director Kerr affirmed this. Director Kerr estimated that OCRM would take six (6) weeks to two (2) months to respond to the permit application.

Councilmember Stone queried whether public hearings would be required. Director Kerr replied that to execute the project, portions of the City's existing code would need to be modified, which would require a public hearing. Also, the OCRM permit would have a public hearing. Administrator Tucker also reminded that if the Committee moved forward with this version of the budget, another public hearing on this budget draft would occur before the June City Council meeting.

Police Chief Buckhannon reviewed the five (5) areas regarding implementation: 1) residential parking requirements, 2) parking requirements within the nodes 3) personnel structure to facilitate and enforce, 4) use of parking meters versus kiosks, and 5) data base design to facilitate distribution of residential parking permits.

Related to residential parking, Chief Buckhannon reviewed the area of Breach Inlet through 10th Avenue and concluded and it would take one hundred nine (109) signs to be able to adequately tell the motoring public that parking is only available for residents with passes. SCDOT indicated to the Chief that this is something SCDOT had embraced before and that they could embrace again, if the City follows the process for encroachment permits. A minimum of two (2) signs per block would be required on every street to allow for visibility at all intersections.

Related to parking within the nodes, signs would be required within all nodes indicating that the area is pay-to-park. Chief Buckhannon evaluated where the meters would need to be placed in the nodes or on a right-of-way. Chief Buckhannon opined that the meters the City uses in Front Beach are becoming universal as he has observed their use in Savannah, Mount Pleasant and the City of Charleston. Visitors are becoming familiar with this type of meter. Chief Buckhannon indicated that the honor boxes like those in use at Folly Beach were less costly up front, but much more labor-intensive as a two staff members would need to check the boxes at least once an hour. The honor box system would necessitate a policy and procedure related to fraud and risk, something City auditors have advocated for in the past.

Regarding personnel, Chief Buckhannon projected that two (2) parking enforcement officers would be required to enforce parking in the parking nodes and in all of the residential areas from 10th Avenue to Breach Inlet. A third (3rd) person would be a part-time administrator of the residential parking permits. Even though the first implementation would restrict parking to residents only in the area of 10th Avenue to Breach Inlet, all island residents would be eligible to receive a residential parking sticker. Additionally, residents who live on the restricted streets will need to be able to acquire temporary passes for guests for special occasions at their homes.

The staff person needed to administer the parking sticker would need to begin work two to three (2-3) months in advance of implementation to help build a data base of eligible residents. The Police Department would need to either hire an organization to set up a data file or set up the data file internally. Residents would need to receive notification that stickers and passes are available and instructions on how to receive them. This staff person's hours are likely to include weekends.

Chief Buckhannon believes that, for enforcement, a consistency in meter type is important. Visitors should encounter the same kind of meter in these parking nodes as on Front Beach; a variation in system types may become an issue in court cases.

Chief Buckhannon indicated that these were initial assessments and other logistical issues still needed to be determined.

Committee Member Loftus queried whether increased ticketing could generate revenue to offset some of the expenditures. Administrator Tucker indicated that parking ticket revenue was in the budget.

Chief Buckhannon stated that he saw problems with allowing residents to park in the parking nodes without paying. If a resident chose to, he or she would be able to park and leave a car in the node indefinitely, effectively blocking visitor parking. Committee Member Duffy stated that residents pay to park at Front Beach and the nodes should be consistent with that policy.

Committee Member Bergwerf questioned the need for additional Beach Services Officers to enforce parking in the resident-parking-only streets as officers already enforce parking island-wide. Chief Buckhannon said the new arrangement would be more labor intensive and more effective if executed by persons specifically assigned to that function. Additionally, in the busy beach season, officers are better used for answering the increased call volume.

Committee Member Loftus asked whether the data base could be built using existing Building Department information. Chief Buckhannon said that the Police Department already taps into the Building Department data base for basic information, but more complex information will be needed.

Mayor Cronin commented that the issuing of residential passes will be very difficult, particularly in the first few years of implementation.

Chief Buckhannon has consulted with Wild Dunes regarding their sticker program. An essential consideration is the number of stickers available to each property owner or resident. Some residents may have four or five cars.

Mayor Cronin gave an example of a scenario that is likely to cause confusion: an immediately family member, such as a son or daughter, requesting multiple passing for a gathering. Technically, this person is not the property owner.

Committee Member Loftus suggested that new technologies may help minimize the difficulties of administrating this program.

Chief Buckhannon reported that Wild Dunes' technology system to administer their program cost fifty thousand dollars (\$50,000).

Committee Member Bergwerf asked how many hurricane re-entry stickers are currently issued to residents. The answer is two. Mayor Cronin acknowledged that this creates some difficulties for families, but that some limit had to be imposed.

Councilmember Stone inquired whether the kiosk system being proposed would be seasonal like those at the Front Beach. Chief Buckhannon indicated that the decision would be a policy decision by City Council.

In response to Councilmember Stone's query about the new staff members, Chief Buckhannon indicated that his intentions are like those for current Beach Services Officers (BSOs) who work from approximately from St. Patrick's Day to October.

Administrator Tucker clarified that, unlike the two (2) new BSOs, the thirty (30) hours-per-week position to administrate the parking stickers will need to be year-round. New residents will move to the island year-round and will need to be able to acquire stickers.

Chief Buckhannon stated that he foresaw “growing pains” at the beginning and the need for many policy decisions.

Administrator Tucker called the Committee’s attention to the photographs distributed to the Members and attached to the historical record of this meeting. The pictures are of the four street extensions where the proposed nodes would be constructed. In the pictures, City staff is standing on the sites in positions to indicate the width of the access and the depth of the proposed node. The proposed depth of the parking nodes was established by the Planning Commission in hopes of preventing the ocean-side homeowners from being able to see them from their oceanfront porches. The proposed street extensions are at 3rd Avenue (40 foot wide), 4th Avenue (60 foot wide), 8th Avenue (60 foot wide) and 9th Avenue (60 foot wide). The goal of the photographs is to illustrate to the committee the existing topography and vegetation that would need to change at these locations.

Administrator Tucker recounted that when these photographs were being made, she parked her City vehicle illegally on Ocean Boulevard to execute the City business. Each time, as soon as her vehicle was parked, another vehicle parked on Ocean Boulevard, assuming it was legal by example.

Administrator Tucker distributed a one-sheet “Cost and Revenue Estimates” (attached to the historical record of this meeting) that included all of the budget numbers from the third draft of the budget that included the parking initiative. When the budget numbers were developed, staff identified a cost of five-hundred two thousand two-hundred ninety seven dollars (\$502,297) for eight (8) parking nodes or two-hundred eighty thousand five-hundred forty dollars (\$280,540) for four (4) parking nodes. Based on these numbers, staff determined that it was not affordable to complete all eight (8) in fiscal year twelve (FY 12). It did seem feasible to construct four (4) in fiscal year twelve (FY 12) and the remaining four (4) in fiscal year thirteen (FY 13). The four (4) street extensions identified for fiscal year twelve (12) were chosen based on highest utilization.

The Cost Estimate sheet reflects a planning and permitting number of twenty-six thousand dollars (\$26,000) that is the average of the three (3) quotes received. The planning and permitting expenses remained the same for construction of four (4) or eight (8) nodes.

The average of the three (3) estimates received for construction was three-hundred thirty-four thousand dollars (\$334,000) for eight (8) nodes and one-hundred sixty-seven thousand (\$167,000) for four (4) nodes.

One (1) kiosk per location is estimated to cost forty thousand dollars (\$40,000) for four nodes. The kiosk system offers an accounting advantage over “honor boxes” because when it is services, staff remove a locked container of cash with a receipt indicated the

amount of cash in the container as opposed to removing uncontained cash without a receipt.

The Police Department expects to require two (2) additional automated ticketing devices at an estimated cost of eighty-five hundred (\$8,500) for both. An estimated one hundred eight (108) signs will cost three-thousand seven-hundred eighty (\$3,780).

Staff solicited input from Public Works Department Director Pitts regarding ongoing maintenance of the nodes. Maintenance costs will include service for the electronic kiosks, property insurance, service and supplies for the additional ticketing devices, an annual placement of sandshell, and weekly weeding and cleaning by staff. These costs are estimated to be five-thousand eighty-two dollar (\$5,082) per year for four (4) parking nodes.

Administrator Tucker's hope is that as the program is implemented, the residential parking stickers will take the place of hurricane re-entry stickers. The estimated cost for personnel and the database, as explained earlier by Chief Buckhannon, is sixty-five thousand two hundred and sixty four (4) parking nodes.

The total fiscal year twelve (FY 12) estimated cost for implementing the parking initiative with four (4) nodes is three hundred ten thousand five hundred forty dollars (\$310,540). Thirty thousand dollars (\$30,000) had previously been included in the fiscal year 12 (FY 12) budget draft, meaning that the new budget draft includes two-hundred eighty thousand five hundred forty dollars (\$280,540) of new expenditures related to the parking initiative.

The revenue estimates were generated from the fiscal year 12 (FY 12) Front Beach parking revenue estimate. This figure was divided by the number of Front Beach spaces to determine a multiplier indicating revenue per space. The number of new expected spaces is thirty (33), but that figure was reduced to account for required handicapped parking. The Cost Estimate sheet included an additional reduction for free resident parking in the nodes, but if the policy decision was to require all to pay to park in the node to be consistent with Front Beach, that figure will be adjusted. The estimated total revenue is forty-two thousand dollars (\$42,000) or greater.

Administrator Tucker has written a letter to SCDOT regarding these plans, but she has not yet heard back. However, the Administrator speculates that if the City of Isle of Palms patterns this program after the City of Charleston's successful implementation, SCDOT approval could be expected. The City confirmed that the streets in question in the City of Charleston belonged to SCDOT.

Mayor Cronin asked if the revenue projections were seasonal or based on the fiscal year. The projections are based on Front Beach parking which is seasonal. In the first year of implementation, the fiscal year revenue will be less than the projection.

Committee Member Bergwerf called attention to the fact that the 3rd Avenue street extension was a forty foot (40 ft.) wide extension. She suggested making the first four

(4) nodes in street extensions that were all sixty feet (60 ft.) wide. The Mayor concurred that this was worth consideration, and Administrator Tucker said the staff would re-examine the choices of street extensions. In that case, Chief Buckhannon suggested moving the emergency access path to a smaller street extension. The Mayor expressed concern about an access path that included both a parking node and emergency access. Fire Chief Graham remarked that the beach access at 5th Avenue is one of the busiest paths.

The Mayor observed that he liked the kiosks currently in use on the Front Beach due to track record, turn over and consistency.

Committee Member Buckhannon asked about the natural buffers of vegetation and dune currently in place at the street extensions. Administrator Tucker stated that the project would require significant disturbance of the buffer in the street extensions. Although the areas will recover, citizens tend to react when they observe the change of the topography. The street extensions will need to be scraped down and pervious surface would be placed. Administrator Tucker remarked that as little land as possible will be disturbed, but that construction will be a function of the design.

Director Kerr summarized the initial design concept as including a forty feet (40 ft) of parking area and a four foot (4 ft.) walking path to keep pedestrians as a distance from cars, leaving sixteen feet (16 ft.) available for buffer, eight (8) feet on each side. He opined that in a sixty foot (60 ft.) street extension, excavating forty-four feet (44 ft.) would have a significant appearance.

Mayor Cronin remarked that this is a not a small project.

Committee Member Duffy queried if the City had requested information for neighboring municipalities about their parking administration. Administrator Tucker answered in the affirmative but reminded the Committee that the City of Charleston has an entire parking department.

Mayor Cronin called the Committee's attention to the Cost Estimate sheet that indicated that, to execute this project, the City would be using one hundred forty-eight thousand seven hundred sixty dollars (\$148,760) in Municipal Accommodations Tax fund balance and one hundred sixty-one thousand seven hundred eighty dollars (\$161,780) in State Accommodations Tax fund balance over and above what fund balance use was budgeted in previous versions. Both funds will have fund balance remaining, and after the first year's cost, revenues will begin to be generated. Council Member Piening remarked that monies from these funds are meant for projects such as these.

Council Member Bettelli hoped that adjacent property owners would be made aware of the project well in advance. Administrator Tucker related that based on past experience, regardless of the City's efforts to inform citizens, some folks do not become aware until construction begins.

Administrator Tucker remarked that for the initial year, the City might be out of compliance with its Beachfront Management Plan. However, the intention to construct all eight (8) nodes should bring the City back into compliance.

MOTION: Mayor Cronin moved to approve the draft budget as submitted at tonight's meeting; Committee Member Loftus seconded and the motion PASSED UNANIMOUSLY.

MOTION: At 6:45 p.m. Committee Member Stone moved to go into executive session to receive legal advice pertaining to the implementation of phase one of parking plan; Committee Member Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Executive Session, to receive legal advice pertaining to implementation of phase one of parking plan

The Committee came out of executive session at 7:20 p.m., and Mayor Cronin indicated for the record that no decisions were made and no actions were taken during the executive session.

Administrator Tucker thanked City Treasurer Suggs for her extensive work on this budget draft.

Administrator Tucker also announced that she was in receipt of a resignation letter for Assistant to the Administrator Dziuban effective September 28, 2011.

In response to Committee Member Stone's query, the Treasurer clarified that the budgetary changes impacted the Municipal Accommodations Tax Fund and the State Accommodations Tax Fund but not the Public Works Department budget. Administrator Tucker remarked that in out years, there may be a Public Works budgetary impact.

4. Adjourn

MOTION: Committee Member Loftus moved to adjourn at 7:37 p.m.; Committee Member Bettelli second and the motion PASSED UNANIMOUSLY.