

## WAYS AND MEANS COMMITTEE

5:45 P.M., Tuesday, May 19, 2009

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, May 19, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Council and Committee members Bergwerf, Bettelli, Buckhannon, Duffy, Loftus and Piening, Mayor Cronin, Chairman Taylor, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. Councilwoman Rice's absence was excused, and there was a quorum present to conduct business.

1. Chairman Taylor called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

### 2. Approval of Previous Meeting's Minutes

**MOTION: Mayor Cronin moved to approve the minutes of the regular meeting of April 15, 2009 as submitted; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

3. Citizens' Comments - None

4. Financial Statement – Treasurer Suggs

Chairman Taylor stated that his primary goal for the meeting was to make a decision on the FY 2009-2010 Budget - to move forward for second reading and ratification or to step back and schedule another work session. He suggested that the Committee jump to item 6 on the AGENDA after the financial information to allow more time for the budget discussions.

Treasurer Suggs stated that the financial statement represented information through ten (10) months of the fiscal year. She reported that revenues were at seventy-three percent (73%) of budget, and expenditures were at seventy-four (74%) of budget in the General Fund. She pointed out the following facts concerning revenues in the General Fund:

- Property taxes are 100% collected, and there are three (3) more months for collection;
- Local Option Sales Taxes are at 63% of budget, but the revenues tend to lag; there are four (4) months yet to be collected; even with economic downturn, Treasurer anticipates meeting budget;
- Business Licenses are at 100% primarily due to receipt of \$150,000 from the sale of units in the Village;
- Building Permits are not expected to increase in the remaining months;

Overall, Treasurer Suggs predicted that revenues would end the year very close to budget.

On the subject of expenditures in the General Fund, all of the departments are in line; however, the Fire Department continues to run over budget due to overtime and vehicle maintenance, which have been discussed in this meeting several times.

She added that cash balances in the General Fund were at thirty percent (30%) of annual General Fund expenses, which the Treasurer explained was solid position for the City. In addition, Treasurer Suggs reported that the City had closed on the one million dollar (\$1,000,000) bond for the bulkhead on April 29.

Mayor Cronin asked Treasurer Suggs if she continued to believe that the City would end this fiscal year with a surplus, and she stated that she foresees there being a three hundred thousand to four hundred thousand dollar (\$300,000-\$400,000) surplus unless something unforeseen occurs.

Treasurer Suggs directed attention to the information provided that relates to tourism; she noted that a downturn was anticipated and the most recent receipts indicate that the downturn has begun. The schedules illustrate a decline in all categories, but the decline is not yet one to be alarmed about. Regarding the most recent State Accommodations Taxes, which the City receives on a quarterly basis, payment of \$16,190 was the lowest the Treasurer remembers the City getting; while the September quarterly payment was the largest the City has received. She commented that, historically, the first quarter is the leanest of the year; comparing year-to-date 2008 versus year-to-date 2009, the City has received six percent (6%) less in 2009 than 2008. The schedule for Municipal Accommodations Tax collections, which the City receives monthly, shows that there is a two percent (2%) decrease in the year-to-date 2008 versus year-to-date 2009 collections. The Hospitality Tax schedule shows that the City has received one and one half percent (1½%) less in 2009 than in 2008.

Continuing on to the project worksheets, Treasurer Suggs pointed out the twenty thousand dollar (\$20,000) settlement with Weeks Marine over the sand bag dispute on the Beach Restoration worksheet. For the marina bulkhead, there were engineering costs; the contracts with Jon Guerry Taylor and Misener Marine have been paid in full. For the Public Safety Building, the tenth (10<sup>th</sup>) application for payment to Mashburn was made in the amount of seven hundred fifteen thousand dollars (\$715,000); over one million dollars (\$1,000,000) remains to be paid on the construction contract.

Mayor Cronin reminded the Committee that the Contingency Fund for the Public Safety Building has a balance remaining of \$636,657.

**MOTION: Mayor Cronin moved to suspend the rules to move New Business up to the next item of business on the agenda; Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY.**

## **6. New Business**

### **A. Approval of Change Order #10 to Mashburn Construction in the amount of \$17,312 and the addition of nineteen (19) days to the contract making the date of substantial completion June 13, 2009.**

Administrator Tucker explained that this item had been covered in detail in the minutes of the Public Safety Committee meeting that were included in the City Council packets. The dollar amount of \$17,312 and the addition of nineteen (19) days were negotiated from a much higher number for several items over the course of the project. The City's architect negotiated the compromise and attended the Public Safety Committee meeting to review in detail the issues behind the charges. The Public Safety Committee agreed with the compromised figures of \$17,312 and an additional nineteen (19) days onto the contract.

**MOTION: Mayor Cronin moved to approve Change Order #10 to Mashburn for \$17,312 and nineteen (19) days added to the contract for a substantial completion date of June 13, 2009; Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY.**

**B. Approval of Change Order #11 to Mashburn Construction in the amount of \$27,288 for the addition of motorized air dampers to the 3<sup>rd</sup> floor (\$19,560), the addition of cooling equipment to the elevator equipment (\$19,560) and the addition of three (3) days to the contract making the substantial completion date June 19, 2009.**

Administrator Tucker commented that Mark with DWG was present to answer any questions that may arise on this change order; she added that these were the type of items for which a contingency fund exists. The change order covers two (2) mistakes that were discovered in the ventilation system; one is that there was not adequate ventilation for the mechanical room where the mechanical workings for the elevator are located, and the other portion covers dampers in the HVAC system. It was believed that the dampers were included with the unit that was called for in the specifications, but the dampers were separate items. In addition to the equipment purchase, there is the addition of three (3) days to the construction contract. Mark added that the motion should be "not to exceed," because there was some dispute over the damper price.

**MOTION: Councilman Bettelli moved to approve Change Order #11 to Mashburn Construction for an amount not to exceed \$27,288 to correct oversights in the ventilation system for the Public Safety Building; Councilman Loftus seconded.**

Mayor Cronin asked how many motorized dampers were needed; Mark responded that there were eleven (11) dampers.

**Call for the Question: The motion PASSED UNANIMOUSLY.**

**C. Award of Contract to Motorola in the amount of \$10,019.27 for the purchase and installation of two (2) eight (8) port control station combiners and two (2) omni antennae.**

Administrator Tucker reminded the Committee of the problems the City has been having with the digital radio system and that Motorola engineers have been all over the County assessing the problems. After the engineers looked at the Public Safety Building and reviewed the specifications, they made the recommendation for the combiners and antennae. When this was discussed at the Public Safety Committee meeting, there was discussion of a credit being issued for the antennae included with the original radio purchase last year; Chief Graham announced that she had talked with the Motorola salesperson and learned that the credit would be in the amount of \$4,622.50. By applying the credit to the purchase price indicated above, the adjusted cost of the combiners and antennae will be \$5,396.77.

**MOTION: Mayor Cronin moved to award the contract to Motorola in the amount of \$5,396.77 for the purchase and installation of two (2) eight (8) port control station combiners and two (2) omni antennae; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

**D. Authorization to apply for grants through the United States Department of Justice, Office of Justice Programs for two (2) automated license plate recognition systems and twenty-two (22) security cameras.**

The license plate recognition systems would be deployed at Breach Inlet and at 14<sup>th</sup> Avenue and Palm Boulevard; the security cameras would be installed throughout the island, i.e. the Recreation Center, City Hall, Front Beach, the marina and on the beach at Front Beach. The technology has the capability to provide a wireless mesh in the future should Council decide to pursue it. Administrator Tucker informed the Ways and Means Committee members that the vote had not been unanimous in the Public Safety Committee, because of concerns about "Big Brother is watching you."

**MOTION: Mayor Cronin moved to proceed with the grant application as detailed above; Councilman Loftus seconded.**

Councilman Loftus sought confirmation that all cameras would be on public property; Administrator Tucker said they would be.

Councilman Buckhannon informed the Committee that he had voted against authorizing the grant application; he stated that he liked having the security cameras at the Recreation Center, City Hall, the City-owned parking lots, and other City property. He was opposed to cameras focused on public rights-of-way and getting a picture of everyone who crosses the island; it was, in his opinion, an invasion of personal rights.

Councilman Piening asked whether the grant application was being made simply because there was grant money available or because the equipment was needed. He stated that he thought the grant funds would come from the federal government, which was broke, and would finance forty-seven percent (47%) of the next federal budget with borrowed money. He expressed the opinion that, if the City needed something, it should buy it and, if necessary, raise taxes to pay for it or cut spending in another area. He also said that he agreed with Councilman Buckhannon's privacy concerns.

Councilman Duffy asked if these items had been budgeted for either in this budget year or an out-year to know if the grant was to fill a need for which the City has a plan; he expressed concern that the acquisitions were not part of a long-term public safety plan for the City.

Councilman Bettelli stated that he interprets the grant application as a matter of island safety since every year there are more and more day-trippers. He noted that the greatest expense the City bears is personnel, and he stated that he sees the cameras as a means to augment the police forces without hiring additional personnel.

Councilman Loftus addressed Councilman Duffy's remarks by reporting that the need for additional security cameras on the island has been an on-going discussion for the Public Safety Committee, and the cameras were not included in this year's budget due to the budget constraints the City has been working with. He added that the City has important assets to protect, such as the marina and the Recreation Center. He expressed the opinion that this was a good way to increase security for the residents of the island and to provide a means of not adding to personnel.

Mayor Cronin noted that the security cameras were not monitored constantly, but they are available when there is an occasion to know what happened at some point in the recent past. He said that they do not represent "Big Brother" watching, but, when something happens, the cameras would provide a means to check a specific camera covering the area involved. He did agree that the cameras may not have been a part of a long-range plan, but that no long-term plan exists on many such issues.

Chairman Taylor asked Chief Buckhannon how many cameras the City had in operation and related that the Treasurer had informed him that there was twenty thousand dollars for camera replacements in the ten-year plan for FY 11. Chief Buckhannon responded that there were four (4) cameras on Front Beach and seven (7) security cameras at the Recreation Center

Councilman Piening asked if the security cameras had solved any crimes; the Chief stated that they had, and he related the situation of large groups of young people, some of whom were gang members, congregating at Front Beach and getting into fights.

In response to Councilman Duffy's question, Chief Buckhannon stated that the new cameras would tie-in to the existing system.

**Call for the Question: The motion PASSED on a vote of 6 to 2 with Councilmen Buckhannon and Piening casting the "nay" votes.**

## **5. Old Business**

### **Discussion of FY 2009-2010 Budget**

Chairman Taylor recounted the months of work that has gone into compiling this budget and stated again that this budget has been the most difficult budget he has tackled for the City. Because the budget was on the City Council agenda for second reading and ratification, the Committee needed to reach a final decision on whether the budget needed additional work or the budget was satisfactory as published for this meeting.

Since the budget has been reviewed in detail several times, Administrator Tucker only explained changes that have been made since the last distribution of the budget. In the Capital Projects Fund, expenditures have been reduced by five thousand dollars (\$5,000) for the new phone system for City Hall and by one thousand dollars (\$1,000) for the phone system for the Building Department; the phone systems will be purchased in the FY2008-2009 fiscal year. Revenue for the Municipal Accommodations Fee Fund has been reduced by \$48,750 based on cutbacks made at Charleston County. In the State Accommodations Tax Fund, revenue was reduced by fifteen hundred dollars (\$1,500) for the resale of the ATV which is being kept one (1) additional

year, and expenditures decline by thirty thousand dollars (\$30,000) for repairs to the roof of the public restrooms that is being paid from the current fiscal year.

The Administrator summarized that revenues are either stable or declining; there is a small millage increase of eight (8) mills and Capital Projects, Hospitality Taxes, State and Municipal Accommodations Taxes will draw from fund balances in order to provide the level of services the residents expect and to fulfill contract obligations. Administrator Tucker noted that expenses anticipated from the closing of the incinerator have been added to the Public Works budget.

Chairman Taylor briefly discussed Council' s green initiative of going paperless; he reported that this action by Council will save the City approximately three thousand dollars (\$3,000) annually. Chief Buckhannon is researching the options open to the Council to make the change happen; Chairman Taylor stated that he was hoping to have the initiative in place by July 1, 2009.

Mayor Cronin reminded the Committee that a surplus was anticipated for the year ending June 30, 2009; Council would then have to decide how to allocate the surplus. Chairman Taylor stated that another significant source of money would be the remaining balance of the contingency fund from the Public Safety Building.

**MOTION: Mayor Cronin moved to approve the FY 2009-2010 Budget as submitted at the Ways and Means Committee meeting of May 19, 2009; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

#### **7. Miscellaneous Business**

Administrator Tucker reported that the apparatus bay tent was put out for bid, and the only bid received was from Surfside Beach in the amount of three thousand dollars (\$3,000). They will use the tent just as the City has – they are constructing a facility and need a temporary quarters for their fire truck. The staff recommends that the Committee approve of the sale of the tent.

**MOTION: Councilman Buckhannon moved to approve the sale of the tent to Surfside Beach for three thousand dollars (\$3,000); Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

Chairman Taylor announced that the City would also be selling the trailers and, if possible, have them moved off the island before hurricane season gets active.

#### **8. Adjourn**

**MOTION: Councilman Bettelli moved to adjourn at 6:35 p.m.; Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted

Marie Copeland  
City Clerk