

Ways and Means Committee
5:45 p.m., September 18, 2007
Isle of Palms, South Carolina

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, September 18, 2007 at the City Hall, 1207 Palm Boulevard, South Carolina. Present were Chairman Taylor, Council members Bettelli, Buckhannon, Cronin, Hanbury, Marino, McMackin, Rice and Mayor Sottile, City Administrator Tucker, City Treasurer Suggs, Assistant to Administrator Dziuban and City Clerk Copeland. There was a quorum present to conduct business.

1. Call to order. Councilman Taylor called the meeting to order and announced that the public and the press had been duly notified of the meeting in accordance with the Freedom on Information Act.

2. Approval of Previous Meeting's Minutes.

MOTION: Councilwoman Hanbury moved for the approval of the minutes of the regular meeting of August 8, 2007 as presented; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments. None.

4. Financial Statement – Debbie Suggs, City Treasurer

Treasurer Suggs explained that the financial statement contained data for both July and August; with only two (2) months of the fiscal year having been completed, there was nothing of significance on which to report. She did relay that revenues were as expected; fifty percent (50%) of the rental licenses have been collected and there was \$1.6 million in the Disaster Recovery Fund. In addition, the Treasurer stated that the auditors were in the City offices this week doing the fieldwork for the annual audit and would be tying up loose ends next week.

The Treasurer noted that the state has performed a Court Audit, and the preliminary report indicates no significant findings.

Councilwoman Hanbury commented on the fact that overtime was not segregated on the financial statement, yet, when the City held an event, it was manned primarily by City employees generating overtime. Treasurer Suggs related that the City does have the capability of breaking out the overtime; the problem the Treasurer faces is that no account number exists for reporting overtime. Councilwoman Hanbury continued by saying that she felt that Council's having an indication of the overtime cost involved in an event would be helpful when the City is undertaking a big event. Administrator Tucker stated her belief that overtime is driven more by vacancies within departments, illnesses and military duty than by special events.

Councilwoman Rice asked Treasurer Suggs to define Accumulated Depreciation, which appears in the Marina Fund. The Treasurer explained that the Marina Fund, unlike other funds in the City, is an Enterprise Fund, which must be handled like a business; therefore, depreciation must be recorded. The Treasurer further explained that depreciation expense caused the City to expense the cost of an asset for future replacement, and depreciation is a non-cash item, which exists for tax purposes – of course, the City does not pay taxes.

In reviewing the expenses for Fire Station #2 and the Public Safety Complex, Treasurer Suggs stated that the balance due to Cole+Russell on the design/build contract for Fire Station #2 is \$745,748.00. She also informed the Committee that \$69,000 has been paid on the Public Safety Complex design; this money will be refunded to the City from the bond proceeds as a result of the City Council's passing the Reimbursement Resolution.

Councilman Marino asked for the status with S&ME, the company that has been performing inspections on Fire Station #2 and that had come before the Committee reporting an error in their quote. Administrator Tucker explained that S&ME was still performing inspections, and the City had fulfilled its obligation to them.

Councilman Taylor announced that Treasurer Suggs had family obligations and could not stay for the entire meeting; therefore, he asked the Committee's permission to move to the next item on the agenda requiring input from her.

MOTION: Councilman Marino moved to suspend the rules to proceed to other financial issues on the agenda; Councilman Cronin seconded and the motion PASSED UNANIMOUSLY.

6. New Business:

G. Discussion of Status of Marina Leases

Councilman Taylor reminded the Council members that they had received an e-mail from the Administrator about the status of a lease and about collecting money owed to the City. Councilman Taylor commented that the City has a variety of leases with other entities, and it was his opinion that the City needed to uphold its half of the agreement and the other party needed to uphold their half of the agreement. To do otherwise, he explained, would need action of Council. Councilman Taylor's goal was to ensure the Administrator and Treasurer that they have the full support of this Committee to enforce the terms of the City's leases.

A. Recommendation to set City Millage Rate at 22.4 for FY 2007-08.

The Administrator had to certify the millage rate for the tax bills, which go out in October from the Charleston County Tax offices. The millage rate proved to be correct when the new assessment numbers were received from Charleston County and calculations were performed using the millage rate (22.4), which was discussed and advertised at budget time.

MOTION: Mayor Sottile moved that the Ways and Means Committee recommend to City Council to set the millage rate for FY 2007-08 at 22.4; seconded by Councilman Bettelli and the motion PASSED UNANIMOUSLY.

5. Old Business

Councilwoman Hanbury expressed her feeling that procedure had not been followed in the financing of the List Serve project. She elaborated by saying that the decision made by the Personnel Committee and reported to City Council last month to move forward with List Serve should have first come back to the Ways and Means Committee. She recalled that Ways and Means had, many months back, approved only the concept of List Serve; Councilwoman Hanbury believes the Personnel Committee should have come back to Ways and Means with the actual dollars involved in proceeding with the project.

Administrator Tucker commented that she does not have the figures at this moment, so, if a motion is required, it must be postponed for a month. She recalled that the cost was minimal – that there was an initial setup figure, then a monthly fee. Councilwoman Hanbury asked what that monthly amount was and who paid it; she was informed that the City pays the monthly fee. Administrator Tucker did state that the List Serve was a budgeted item for FY 2007-08. Councilwoman Hanbury allowed that it may have been included in the budget, but the subject was not on a Council agenda, and, therefore, never came before Council for discussion.

Councilwoman Hanbury had several questions on the List Serve; the first being is the List Serve duplicative of the website? Administrator Tucker replied that some of the information on the website would be duplicated on the List Serve. The difference is that a user must make a conscious decision to visit a website; for those who subscribe to the List Serve, message(s) from the City will appear without the user making a request for information, for instance, a weather alert. Another question Councilwoman Hanbury had was if there would be an occasion when the general public would get information before Council. To that, the Administrator answered that information appearing on the

List Serve should be information that Council is anticipating, for example, a meeting summary before the minutes can be posted to the website.

Councilwoman Hanbury expressed her opinion that this all might dissuade people from attending City meetings; Administrator Tucker suggested that the information could actually entice people to attend.

The final question from Councilwoman Hanbury was if the minutes were put on the website before they were approved, and she was assured that they were not.

Councilwoman McMackin stated that it was the Personnel Committee's understanding that City Council had approved the List Serve project as long as the cost did not exceed a certain number. Then, when it was approved for inclusion in the budget, the Committee did not believe that it had to go before Ways and Means or City Council again. She also noted that the Committee preferred to call the City's service E-newsletter, as it will be like a newsletter keeping the island's residents informed about what is happening.

6. New Business:

B. Recommendations from Accommodations Tax Advisory Committee:

1. Approval to spend \$1,500 to replace the flagpole and its base located on the Connector with permanent heavy-duty set-up.
2. Approval to spend \$15,000 to support the 2008 Spoleto Festival.
3. Approval to spend \$3,500 to support "Ghostly Tide Movie on Front Beach" scheduled by the Recreation Department for October 19.

MOTION: Councilwoman Rice moved to approve the recommendations from the Accommodations Tax Advisory Committee and to recommend them for approval to City Council; Councilman Buckhannon seconded.

Councilman Bettelli stated, that, based on information in the Spoleto application, it seemed that last year's contribution had been ten thousand dollars (\$10,000) not fifteen thousand dollars (\$15,000).

AMENDMENT: Councilman Marino moved to amend the motion to reflect a contribution of \$10,000 to 2008 Spoleto Festival; Councilman Bettelli seconded.

Councilwoman Hanbury sought confirmation that the Accommodations Tax Advisory Committee had approved the Spoleto application for \$15,000; the Administrator confirmed. That being the case, Councilwoman Hanbury wanted to know the reasoning behind the Ways and Means Committee wanting to approve a lesser figure.

Mayor Sottile asked that the Administrator explain why the ATAX Committee had approved the higher amount. Administrator Tucker stated that more data had been provided to the ATAX Committee in the Spoleto presentation supporting the benefits that the City derives from its participation in Spoleto than has been provided in the past. She added that, based on this additional information, a member of ATAX, who has, in the past, been a dissenting vote, voted in favor of the motion. Mayor Sottile then asked if the vote at ATAX had been unanimous and was told that it had been.

Councilman Marino asked if there were to be any Spoleto events on the Isle of Palms; the Administrator answered that she did not know of any such plans. Councilman Marino commented that this is an issue to him and one that he brought up last year, but he does support a City donation to Spoleto.

Councilwoman Rice expressed her feeling that Spoleto is a world-class event that brings many people and large revenues to the island. She recalled that previous Spoleto events held on the island had been at Wild Dunes, and both last year and this year there is construction going on and insufficient parking available.

Administrator Tucker recalled from the ATAX meeting that the members had liked the fact that the City had received a lot of exposure from its donation in 2007; the lack of recognition had been a concern to the Committee in prior years. She also directed the Committee to page 3 of the Spoleto application where it indicates "Previous Year" and "Current Year" donations; the funds indicated there were \$10,000 for 2006 and \$15,000 for 2007. She continued by saying that the application before the Committee now is for the 2008 Spoleto events.

Councilwoman Hanbury stated that she would like the Chairwoman of the ATAX Committee to give her impression of the Spoleto presentation.

With those explanations, Councilman Marino withdrew his amendment and Councilman Bettelli withdrew his second to it.

Julia Tucker, ATAX Committee Chairwoman, noted that the Administrator had been totally correct in her assessments of the presentation; Chairwoman Tucker emphasized that Spoleto had done so much more for the City in the 2007 season than they had ever done before. She answered Councilman Marino's concerns by relating that Spoleto has tried for years to hold an event on the island, but the island does not have a proper venue, and she is convinced that is only the reason an event has not taken place here. She reported that the City was on every possible page of the Spoleto website. She also related that Spoleto had been "magnanimous" in giving tickets for groups that may not be able to attend events otherwise; Ms. Tucker thought the Keen-agers had benefited

from these tickets. She also agreed that the previous year's contribution had been \$15,000.

Councilman Cronin asked Ms. Tucker if the members of her committee saw an influx of activity as a result of Spoleto visitors coming to the island, staying on the island and enjoying the island. She replied that the Committee had not discussed that.

Councilwoman McMackin stated that she does not have any specific issues with the items in the list of recommendations from ATAX, but she did have general concerns she wanted to share with the members of the Committee. She identified the disappearing beach as a "looming issue" facing the City; one of the solutions to that is beach renourishment, but that presents another problem: funding. A funding source, other than state and federal tax dollars, is Accommodations Taxes. Because of the crisis and its need for funding, Councilwoman McMackin indicated that she was not comfortable supporting the individual items through the Accommodations Taxes. She added that she would like to see a better accounting of the extent to which these individual requests truly contribute to tourism for Isle of Palms. She feels that the City needs to be putting away its pennies for the eventual solution to the beach erosion problems; therefore, she is not comfortable voting in favor of these items.

Mayor Sottile asked where the "Ghostly Tide Tales" would be on Front Beach and was told it would be on the beach close to the Public Access at the restrooms.

Councilman Cronin made a clarification to the Fire Department application for the flagpole; he said there are ten thousand cars per day that cross the Connector, not ten thousand per year.

Councilman Marino asked if the new flagpole was going to be taller than the one that is currently in place. The Administrator responded that no one had asked that question and she did not have an answer. Mayor Sottile requested that the design be brought to the Public Safety Committee before the mount and pole were installed.

VOTE: The motion to approve and recommend the Accommodations Tax Advisory Committee PASSED on a vote of 8 to 1; Councilwoman McMackin voted against.

C. Recommendation from the Personnel Committee: *An Approval to incur up to \$10,000 in salary expense for preparation for CALEA.*

Administrator Tucker explained that General Government employees have offered time, as an overtime matter on the weekends and in the evenings, to assist the Police Department as it prepares for CALEA.

MOTION: Mayor Sottile moved to approve \$10,000 in salary expense to prepare for CALEA; Councilman Marino seconded and the motion PASSED UNANIMOUSLY.

C. Recommendation from Public Safety Committee: *To Approve Time Change Order to Fire Station #2 Design/Build Contract, revised completion date of October 5, 2007 in lieu of September 28, 2007.*

Administrator Tucker informed the Committee that the Contractor does not think he will actually need this time, but they would rather have the cushion it affords.

MOTION: Councilman Marino moved to recommend to City Council the approval of the Time Change Order for Fire Station #2; Councilman Buckhannon seconded.

Councilman Cronin asked if the meaning of completion date was a full sign-off or just a punch list. Administrator Tucker advised the Committee that they will be working on the punch list on September 26, the day after the City Council meeting. She alluded to issues with The Citadel because the City does not know the exact date that it will completely vacate The Citadel site. The Administrator stated that she is hopeful that the date means a "take possession of" date.

VOTE: The motion to recommend approval of the Time Change Order to Fire Station #2 PASSED UNANIMOUSLY.

D. Recommendation from Public Works Committee:

- 1. *Approval of up to \$8,000 from Tree Fund to trim Palmetto Trees along municipal roads of the island.***
- 2. *Approval of Eadies, Inc. as a one qualified sole source to provide Phase III of City's Comprehensive Drainage Maintenance Plan.***

1. Administrator Tucker reminded the Committee that this endeavor was started in 2006, and it divided the work into three (3) segments. This recommendation incorporates the final two (2) segments to complete the trimming this year, not next.

2. The Administrator stated that the second motion involves Eadies completing Stage III of their Comprehensive Drainage Maintenance Plan; she added that this same motion has been seen in previous years for Stages 1 and II with Eadies identified as the one qualified sole source to perform the work.

MOTION: Councilman Bettelli moved to recommend the \$8,000 from the Tree Fund to trim the palm trees and to recommend Eadies, Inc. as a one

qualified sole source to provide Phase III of the Comprehensive Drainage Maintenance Plan; Councilman Buckhannon seconded.

Councilwoman Hanbury wanted to qualify the motion on the trimming of the palm trees by requiring that the work not begin before the end of hurricane season.

Councilman Buckhannon asked if the City would be using the same contractor, and the Administrator informed him that it would.

VOTE: The motion on the Public Works recommendations PASSED UNANIMOUSLY.

E. Recommendation to approve Amick Equipment of Lexington, South Carolina as a one qualified sole source to provide a garbage truck for \$162,200.

The Administrator explained that in order to maintain consistency with equipment, the City has purchased MACK equipment for garbage packers from Amick, and the Administrator continued that Amick retrofits them so that the equipment was all outfitted consistently. She also corrected the amount on the AGENDA to \$162,200 from \$162,000.

MOTION: Councilman Bettelli moved to recommend to the City Council approval of \$162,200 for the purchase of a garbage truck from Amick Equipment of Lexington, South Carolina as a one qualified sole source; Councilman Cronin seconded and the motion PASSED UNANIMOUSLY.

H. Presentation by Councilman Cronin.

Councilman Cronin is a member of the Long-Term Beach Management Committee and, as such, has compiled data on the economic impact to the island of the erosion that is occurring on the north end. His presentation was printed and is attached to the master copy of these minutes.

7. Executive Session. None.

8. Miscellaneous

The next meeting will be held at **5:45 p.m. on Tuesday, October 16, 2007.**

Respectfully submitted:
Marie Copeland, City Clerk