

WAYS and MEANS COMMITTEE
5:00 p.m., Tuesday, January 17, 2017

The regular meeting of the Ways and Means Committee was held at 5:00 p.m., Tuesday, January 17, 2017 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Assistant Administrator Fragoso and City Clerk Copeland; a quorum was present to conduct business.

1. Administrator Tucker 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. Election of Chair and Vice Chair

Councilmember Bergwerf nominated Mayor Cronin for Committee Chair, and Councilmember Carroll nominated Councilmember Ward. The voting resulted in the election of Mayor Cronin as Chair on a vote of six to three (6 to 3).

For Vice Chair, Councilmember Carroll nominated Councilmember Ward, and Councilmember Bettelli nominated Councilmember Kinghorn. Councilmember Kinghorn was elected Vice Chair on a vote of five to four (5 to 4).

3. Approval of Previous Meeting's Minutes

MOTION: Councilmember Rice moved to approve the minutes of the regular meeting of November 15, 2016; Councilmember Bettelli seconded.

Mayor Cronin referred the Committee to the motion on Page 3 about amending the OCRM/Corps of Engineers permit; the Mayor agreed that the motion had been for the "entire shoreline." In actuality, the amendment would add the areas of the shoreline affected by Hurricane Matthew, 53rd Avenue to Dewees Inlet and 14th Avenue to Breach Inlet.

Councilmember Carroll contended that the amendment should include the entire shoreline since the beach could experience a storm in the future that would affect an area not included in the permit.

Mayor Cronin explained that the permit could not include an area that has no loss of sand.

VOTE: The motion PASSED UNANIMOUSLY.

MOTION: Councilmember Harrington moved to re-order the Agenda to hold the Executive Session at this point in the meeting; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

9. **Executive Session**, in accordance with S.C. Code Section 30-4-70(a)(2), to receive legal advice concerning pending SCMIRF insurance claim #SF-16-1025

MOTION: Councilmember Bettelli moved to go into Executive Session at 5:07 p.m. to receive legal advice; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

The Committee returned to regular session at 5:21 p.m., and Mayor Cronin announced that the Committee had not taken a vote or any other action while in Executive Session.

4. Citizens' Comments – None

5. Financial Statements – Treasurer Suggs

A. Monthly Financial Statement

The statement for review at this meeting was through December 31, 2016, or halfway through the fiscal year. General Fund Revenues were at twenty-nine percent (29%) of the General Fund FY17 budget, and General Fund Expenditures were at forty-three percent (43%) of budget with a target of fifty percent (50%). In Property Tax Revenue, receipts were twenty-eight percent (28%) ahead of the same time in FY16; Local Option Sales Taxes were eight percent (8%) ahead, Building Permits were nineteen percent (19%) ahead, and Parking Revenues were forty-three percent (43%) ahead; overall revenue sources, the receipts were running seventeen percent (17%) ahead of FY16. In expenditures, all Departments were below budget except for Mayor and Council and BSOs; the over-budget conditions were attributed to timing differences related to payroll. At this point in time, cash on-hand in the General Fund was at two and a half million dollars (\$2,500,000), or twenty-four percent (24%) of annual General Fund expenses; total cash exceeded fifteen million dollars (\$15,000,000). Treasurer Suggs reported that the interest in the LGIP fund was 0.8566%; therefore, the City recently opened another LGIP account for the Beach Preservation Fee fund and transferred a large sum of money into it to take advantage of the higher interest rate.

B. Tourism Schedules

Municipal Accommodations Fee revenue for November was fifty-seven thousand seven hundred dollars (\$57,700), which was below collections for the same month last year; year-to-date, collections were one percent (1%) less than FY16. Mayor Cronin suggested that the decrease could be attributed to the effects of Hurricane Matthew. The City has not yet received the second quarterly payment from State Accommodations Taxes or the first semi-annual payment from the Charleston County Accommodations Tax Pass-through. Hospitality Taxes collected for December were also less than the same month in FY16. Treasurer Suggs stated that she thought that it was premature to suggest that a trend was developing since these off-season numbers can often be misleading. Administrator Tucker noted that a portion of the loss of Hospitality Taxes was from the caterers at the Citadel Beach House as it rebuilds.

Councilmember Carroll said that, based on the decrease in tourism funds in FY16 and the lower collections year-to-date in FY17, the City must be cautionary in its spending and save for emergencies.

Councilmember Rice expressed some concern over how Wild Dunes was communicating the condition of the beach to people making reservations and stated that she thought the City should know so it could discern the way(s) their message could be affecting tourism.

C. Projects Worksheets

The Beach Restoration Project worksheet showed that the City paid invoices to Coastal Science and Engineering in November and December 2016.

Administrator Tucker reported that the City staff continues to work with FEMA on the worksheets for expenses related Hurricane Matthew.

6. Old Business – None

7. New Business

A. Recommendations from the Real Property Committee

1. Repair to the bulkhead using the method identified as Number 2 in the JMT bulkhead investigation report and that the project be done in tandem with the underground fuel tank replacement and no sooner than October 1, 2017

The cost of this repair has been estimated to be three hundred ten thousand dollars (\$310,000) which will be included in the FY18 budget. The Mayor noted that, by doing this work and the replacement of the underground fuel tank simultaneously, the marina businesses would experience less interruption. Councilmember Kinghorn asked whether staff had investigated whether this expense might be covered by insurance; the Administrator indicated that the inquiry had not been made, but that she would find out.

On a side note, Councilmember Ward recommended that the City consider establishing a Marina Repairs and Maintenance Fund as it begins the budget process for FY18; the consensus of Council was to follow the Councilmember's suggestion.

Councilmember Ferencz asked that the City add five percent (5%) to the cost in order to have a professional engineer on-site to lookout for the City's interests.

Since Councilmember Carroll had been to the marina over the weekend and studied the length of the bulkhead, he stated that the bulkhead "looks terrible;" he wanted to know what the City was told the life span of the bulkhead would be.

Administrator Tucker reiterated that the JMT analysis had stated that the bulkhead was in good condition, and she thought the bulkhead was quoted as having a fifteen or twenty (15 or 20) year life span. She also noted that, unlike many area marinas, the IOP Marina has sidewalk and structures right up to the edge of the bulkhead.

Since no one from JMT was present for this meeting, the Committee asked that a representative be present at the City Council meeting next week.

Mayor Cronin said that staff would research the expected life span of the bulkhead.

2. Agreement with Morgan Creek Grill to reimburse them in an amount not to exceed \$15,500 to re-direct the water runoff from under the restaurant

This work stems from the need to get a termite bond for the building, but the urgency became apparent when the engineers assessing the problem at the bulkhead mentioned that the water must be removed as it could possibly be contributing to the bulkhead issues. Administrator Tucker noted that, according to the terms of the lease, the City is under no obligation to pay for this work.

Mayor Cronin agreed that the City must have a termite bond on its assets at the marina.

Councilmember Carroll asked why the City could not simply haul in dirt to build up the area underneath the restaurant, but the consensus was that doing so would not solve the problem.

Landscape Pavers submitted the lower quote of twelve thousand six hundred fifty-eight dollars (\$12,658) to do the work necessary to redirect the water that now drains under the restaurant.

MOTION: Mayor Cronin moved to reimburse Morgan Creek Grill an amount no to exceed \$15,500 for the work to alleviate the standing water under the restaurant; Councilmember Harrington seconded.

Councilmember Ferencz asked whether staff was certain that diverting this water would not create a problem in the area where the water would be diverted, and she was told that it would not.

Responding to Councilmember Carroll's question about the source of funds, the Administrator indicated that it would be an unbudgeted expenditure from the Marina Fund. Treasurer Suggs added that, in the budget, was forty thousand dollars (\$40,000) to paint the bulkhead, which would probably not happen until FY18; therefore, those funds could be reallocated to cover this project.

AMENDMENT: Councilmember Ward amended the motion to add that the funding would be from \$40,000 budgeted for painting the bulkhead in Professional Services in the Marina Fund; Councilmember Bergwerf seconded and the amendment PASSED UNANIMOUSLY.

VOTE ON THE AMENDED MOTION: The amended motion PASSED UNANIMOUSLY.

B. Discussion of proposal for bicycle and pedestrian improvements to the western side of the intersection at the IOP Connector and Palm Boulevard

At the Public Works Committee meeting, members discussed the potential projects that the City could submit to the Transportation Sales Tax Committee that is due the end of the month. Included in requests for the past several years has been regulation bike paths on both sides of Palm Boulevard from Breach Inlet to 57th Avenue; the City has learned in recent weeks that SCDOT will install bike lanes from Breach Inlet to 21st Avenue. When one comes off the Connector walking or cycling and intending to turn right onto Palm, he is forced to merge into the traffic lanes to re-connect with a bike path on Palm Boulevard; the City has also requested TST funds to reconfigure the intersection to move pedestrians and cyclists onto City property to then re-merge safely with the bike lane. Since this request for TST funding has been made repeatedly

in the past, the suggestion was made that the request might carry more weight if engineering drawings were included this year, and, based on the excellent relationship the City has had, and continues to have, with Stantec, they offered to produce the drawings at no charge to the City.

Mayor Cronin added that the City will also get cost estimates for the work to accompany the request and drawings.

Councilmember Carroll stated that improvements are needed on both sides of that intersection, and Councilmember Kinghorn suggested that, considering Stantec's gesture of goodwill, the City should request that they also produce a drawing for the other side.

C. Recommendations from the Public Safety Committee

1. Award of a contract to Benson Ford in the amount of \$24,468, state contract pricing, for one (1) 2017 Police Interceptor Sedan with accessories
2. Award of a contract to Vic Bailey Ford in the amount of \$27,186, state contract pricing, for one (1) 2017 Police Interceptor SUV with accessories

MOTION: Mayor Cronin moved to award contract to both dealerships for the vehicles described above; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

8. Miscellaneous Business

2017-18 Budget Calendar

MOTION: Mayor Cronin moved to add to the Agenda a request from the City of Columbia on behalf of the South Carolina Teal and White; Councilmember Kinghorn seconded and the motion PASSED UNANIMOUSLY.

The request was to issue a proclamation about the need to increase public awareness about cervical cancer by wearing teal and white on Wednesday, January 18, 2017.

MOTION: Mayor Cronin moved to adopt a proclamation encouraging testing/screening and/or vaccinations to prevent and treat cervical cancer; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

10. Adjourn

MOTION: Councilmember Carroll moved to adjourn the meeting at 6:00 p.m.; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:
Marie Copeland
City Clerk