

WAYS and MEANS COMMITTEE
5:00 p.m., Tuesday, February 28, 2017

The regular meeting of the Ways and Means Committee was called to order at 5:00 p.m., Tuesday, February 28, 2017 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Ferencz, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Assistant Administrator Fragoso and City Clerk Copeland; a quorum was present to conduct business. Councilmember Carroll was absent from the meeting.

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 Meeting's Minutes**

MOTION: Councilmember Kinghorn moved to approve the minutes of the regular meeting of January 17, 2017 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. **Financial Statements – Treasurer Suggs**

A. Financial Statement through January 31, 2017

The Financial Report is through seven (7) months of the fiscal year, making the target for expenditures fifty-eight percent (58%); revenues year-to-date were at forty-nine percent (49%) of General Fund budget and Expenditures were at fifty-two percent (52%) of budget. All departments of the City were at or below budget with the exception of Mayor/Council and the Fire Department; the Mayor/Council exceeded the target due to a timing difference that will resolve itself in coming months. The Fire Department was over the target due to the amount of overtime incurred during Hurricane Matthew; at year-end, this line will still be over budget. According to the Treasurer, if the City receives any FEMA funds attributable to the overtime, it will go into the Disaster Recovery Fund. Revenues through January were one hundred twenty percent (120%) of revenues collected for the same period in FY16. Cash in the bank totaled eighteen million dollars (\$18,000,000) at the end of January, but that includes two million dollars (\$2,000,000) the City has collected from stakeholders for the beach restoration project scheduled for the fall. For future iterations of this schedule, the Mayor has asked that the Beach Restoration Fund and the Beach Preservation Fee Fund be segregated.

B. Tourism Schedules

Treasurer Suggs reported that, overall, the revenues from tourism funds have been relatively flat compared with the first seven (7) months of FY16. Municipal Accommodations Fees are comparable to FY16, and the City will not receive another State Accommodations Tax collection until mid- to late-April.

Mayor Cronin reported that, when he met with Charleston County last week, they requested to receive documentation on specifically what the portion of Municipal Accommodations funds they send to the Isle of Palms and other municipalities is used for; here at the Isle of Palms, the money

co-mingles with the City's own accommodations tax and is spent appropriately. The County is doing this because of some state transparency law issue, but it does not apply to accommodations tax. They stated that they are not going to send the City any money until it signs a legal agreement, stating how the money will be spent; currently the City does not indicate that County accommodations will be spent on an event, a project or otherwise. Repeating that the County will not distribute any funds to the City until the agreement is signed, the Mayor added that, when they do distribute, the amount they will disburse is seventy-five percent (75%) of the amount they would be sending. The basis for this action is that the County's projected revenues in accommodations tax are not being realized, and they have expenditures that they cannot meet. The local governments in the County must wait for the remaining twenty-five percent (25%) until the County "sees how everything settles out," putting municipalities in jeopardy of not receiving the money at all – if the County does not reach its growth projections, it might keep the money for its own application.

The County has confirmed that it has received a distribution from the state under a legal agreement between the Department of Revenue and Airbnb for past accommodations taxes. Rather than distributing to the individual communities, the state sent all of the money to Charleston County; now they have the check and do not know what to do with it. In order to obtain the information needed for the distribution, the County has filed a Freedom of Information request to the Department of Revenue.

Treasurer Suggs turned to the Beach Restoration Worksheet and noted that actual spending includes the cumulative legal services associated with the project, bank service charges for the special bank account and postage for the letters sent to the stakeholders.

On Page 2 is shown the amount of money received from the stakeholders in January and February 2017 at two million two hundred thousand (\$2,200,000) and two million eight hundred thousand (\$2,800,000) respectively. Presently the City is holding approximately five million seventeen thousand dollars (\$5,017,000) of stakeholder funds. In addition, the City has just over two hundred thousand dollars (\$200,000) of stakeholder money from the 2008 project and one million six hundred seventy thousand dollars (\$1,617,000) of City money in the Beach Preservation Fee fund and the Beach Maintenance Fund. At this time, the City has approximately six million nine hundred thousand dollars (\$6,900,000) toward the fifteen million four thousand dollar (\$15,004,000) project.

5. Old Business – None

6. New Business

A. Recommendation from the Real Property Committee:

1. Authorize expenditures for the public restrooms up to \$73,820, budget remaining, to include up to \$20,000 for replacing all toilets, sinks, urinals and faucets in the public restrooms, up to \$5,000 to seal the floors and up to \$20,000 to replace the stall doors and frames (State ATAX Fund, Capital and Special Projects Front Beach, etc., page 45, line 135, Engineering & Design on new public restrooms - \$109,820)

MOTION: Mayor Cronin moved to approve the improvements to the public restrooms detailed above; Councilmember Bergwerf seconded.

Administrator Tucker explained that, in the FY17 budget, one hundred nine thousand dollars (\$109,000) was designated for the design and engineering of the public restrooms; deducting the value of the outstanding contract with Liollo, the balance is funding these smaller improvements.

Attempting to explain the difference between maintenance and construction on the restrooms, the Administrator stated that the City has a list of maintenance improvements that can be done now, including the items stated in the motion, which do not go against the fifty percent (50%) rule. Construction activities proposed for the building, such as better ventilation and lighting and a platform to install the outside single showers that will go against the fifty percent (50%) rule; these are the items Liollo is currently working on as well as the boardwalk to the beach.

VOTE: The motion PASSED UNANIMOUSLY.

- B. Consideration of a sole source contract to Coastal Science and Engineering in an amount not to exceed \$510,000 to assemble the contract documents, the post-bidding documents, bid and award the contract and to supervise construction to the completion of the project. (Beach Restoration and Monitoring/Beach Maintenance/Beach preservations Fee Fund, page 46, line 152, Offshore Beach Restoration Project - \$15,004,000)

MOTION: Mayor Cronin moved to award a sole source contract to Coastal Science and Engineering in an amount not to exceed \$510,000 for the services detailed above; Councilmember Rice seconded.

Mayor Cronin stated that CSE's prior work on the island over a period of years makes them uniquely qualified for oversight of the upcoming beach restoration project.

Councilmember Ward confirmed that this work would be funded from the budgeted amount of fifteen million dollars (\$15,000,000).

VOTE: The motion PASSED UNANIMOUSLY.

- C. Recommendation from the Public Safety Committee
 - 1. Consideration of a sole source contract in the amount of \$24,978.75 to Parkeon for 2 parking kiosks for the municipal parking lots (MUNI ATAX Fund, page 45, line 131, Capital Purchases, Front Beach Area - \$25,000)

MOTION: Mayor Cronin moved to award a sole source contract to Parkeon in the amount of \$24,978.75 for 2 parking kiosks for the municipal parking lots; Councilmember Bettelli seconded

Responding to Councilmember Rice's question about when the kiosks would be installed, Chief Buckhannon stated that, if the concrete pads are poured this week, the kiosks should be installed in ten to fourteen (10-14) days.

Administrator Tucker stated that the kiosks and the pads, next on the Agenda, will come from the same budget line item of twenty-five thousand dollars (\$25,000), resulting in the purchase and installation of the kiosks in the lot to be over budget by eleven hundred seventy-nine dollars (\$1,179).

VOTE: The motion PASSED UNANIMOUSLY.

2. Consideration of an award of a contract to Lowcountry Custom Construction, Inc. in the amount of \$1,200 for the installation of 2 concrete foundation pads for 2 additional kiosks in the municipal lots (MUNI ATAX Fund, page 45, line 131, Capital Purchases, Front Beach Area - \$25,000)

MOTION: Mayor Cronin moved to award a contract to Lowcountry Custom Construction, Inc. in the amount of \$1,200 for the installation of 2 concrete foundation pads for the new kiosks; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. Authorize up to \$8,000 for 1 large, stainless steel bike rack and 4 small stainless steel bike racks to be installed at City Hall, the Public Safety Building, Front Beach and the public restrooms (MUNI ATAX Fund, page 24, line 144, FB Maintenance & Service Contracts - \$40,300)

MOTION: Mayor Cronin moved to purchase the bike racks detailed above; Councilmember Bergwerf seconded and the motion PASSED on a vote of 7 to 1 with Councilmember Ward dissenting.

7. Miscellaneous Business – None

Next Meeting: FY18 Budget – 3:00 p.m., Tuesday, March 21, 2017
Regular Meeting: 5:00 p.m., Tuesday, March 21, 2017

8. Executive Session – not needed

9. Adjournment

MOTION: Councilmember Bettelli moved to adjourn the meeting at 7:25 p.m.; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk