

WAYS and MEANS COMMITTEE
5:45 p.m., Tuesday, November 27, 2012

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, November 27, 2012 in Council Chambers of City Hall. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Loftus, Stone, Thomas and Ward, Mayor Cronin, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland. The absence of Councilmember Buckhannon was excused; 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 of the meeting in accordance with the Freedom of Information Act.

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

MOTION: Councilmember Bettelli moved to approve the minutes of the regular meeting of October 16, 2012 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Financial Statement** – Treasurer Suggs

A. October Financial Statement

Revenues through the month of October were sixteen percent (16%) collected; Treasurer Suggs reminded the Committee that revenues include an unbudgeted receipt of one hundred twenty-five thousand dollars (\$125,000) related to the second residual payout from the City's previous health insurance carrier.

The Treasurer reported that seven hundred six thousand dollars (\$706,000.00), from the FY12 gain, had been transferred from the General Fund to the Capital Projects Fund as directed by City Council to pay off the outstanding balances of capital leases. Additionally, one hundred fifty-five thousand dollars (\$155,000) was moved from the Capital Projects Funds to the Disaster Recovery Fund, taking the balance in the Disaster Recovery Reserve Fund to two million dollars (\$2,000,000).

Being four (4) months into the fiscal year the target for expenditures was thirty-three percent (33%), but overall expenditures from the General Fund were at twenty-seven percent (27%) at the end of October.

Treasurer Suggs pointed out that money at BB&T is getting zero percent (0.00%) interest; therefore the bulk of City cash is invested with the Local Government Investment Pool, where it receives just over a quarter of a percent (0.25%) interest.

Administrator Tucker reiterated her comments from the October meeting that legal expenses are in the Professional Services line under Judicial and Legal; this account continues to run over-budget primarily because the prosecuting attorney for the City is performing work that had, in the past, been done by Lieutenant Wright. As of today's date, this line is forty-eight percent (48%) expended.

B. Tourism Schedules

Municipal Accommodations Fee collections for October were in excess of seventy-two thousand dollars (72%); collections are running nine percent (9%) higher than the same period in FY12.

The City received the largest payment in State Accommodations Taxes for the quarter ended September 2012; this fund is three and four tenths percent (3.4%) greater than the same period in FY12.

Collections from the Charleston County Pass-through occur semi-annually; therefore, the City has not received these funds.

Hospitality Taxes had a strong October with collections in excess of fifty-one thousand dollars (\$51,000); collections are eighteen and four tenths percent (18.4%) higher than the same period in FY12.

Councilmember Carroll commented on the reduced number of payers for October; Treasurer Suggs stated that she interpreted that to mean that the major payers on the island are current and the number of caterers to the island has fallen off.

C. Projects Status

The only activity on the Beach Restoration Project was for shoal management lighting and compaction tests by Coastal Science and Engineering.

For the Phase II Drainage, Civil Site Environmental conducted additional engineering and surveys and invoiced the City fourteen thousand five hundred dollars (\$14,500); the balance remaining exceeds eighty six thousand dollars (\$86,000).

5. Old Business – None

6. New Business

A. Consideration of Deployment for Sandy Relief Team

Administrator Tucker referred the Committee to the schedule headed Sandy Assistance Effort. (A copy is attached to the historical record of the meeting.) This schedule shows the actual expenses the City incurred with the Katrina relief effort and the estimated expenses for a possible Sandy relief. Accommodations costs for the team were minimal in that they were allowed to stay at Duke Airfield and camp at fire stations and recreation facilities; some of the tasks the team performed were debris removal, staffing of fire and police stations, distributing food and water, shoveling mud from sidewalks and thoroughfares, guarding gas pumps, directing traffic at gas stations, repaired municipal vehicles, site security and staffing boats searching for survivors in the bayou areas. The City anticipates performing similar activities if Council approves the deployment of a team to the area stricken by Sandy; the City hopes to adopt a community similar to IOP – an island community or one that is on the water. This

budget assumes that the City identifies a location that needs the services the City's team can offer.

Another option for a team would be from the Building Department to assist with building inspections to determine which are salvageable and which are not; Administrator Tucker opines that this would be less expensive.

The budget presented is for a nine (9) person crew to be deployed for a total of twelve (12) days that includes a travel day on both ends; the estimated cost for this deployment would be less than sixty-two thousand dollars (\$62,000.00).

Administrator Tucker added that she has sensed a desire from the City to do an outreach to the victims of Sandy.

Councilmember Carroll asked how close on the heels of Hurricane Katrina did the City send a team to assist; assuming that Katrina hit on August 29th, the team was beginning to pack by September 3rd. Councilmember Carroll commented that Chief Graham had been deployed with the Disaster Medical Assistance Team, a federal program, quickly after Hurricane Sandy; the Chief worked in Nassau County, New York supporting a medical team working a shelter. He explained that the Chief is part of a reserve group that municipalities contribute staff to and, if the City is in need, these reserve groups would come to IOP.

Administrator Tucker paraphrased Chief Graham in saying that these teams do excellent work and are highly specialized, but, when the City deploys, they are much more efficient. The Administrator suggested that an IOP team is more efficient because the team members have had firsthand experience, not just simulated training.

MOTION: Councilmember Bettelli moved to authorize the funds to deploy a relief team to the area stricken by Hurricane Sandy; Councilmember Bergwerf seconded.

Having experienced Hurricane Hugo, Councilmember Stone stated that he was "very much in favor of [the City's] contributing on multiple levels, personnel and financially; we want to pay it forward because we will need it."

Mayor Cronin reported talking to mayors along the New Jersey coastline; some did respond and he had thought the City could launch a team to a specific site, but, shortly after making contact, the New Jersey mayor called back saying that they thought they were recovering well enough that their personnel and personnel from surrounding areas were sufficient.

Councilmember Bettelli recalled that he had been on the second relief team for Katrina; he reported that the cities they assisted were so very appreciative of everything that the team was able to do for them.

Councilmember Carroll asked Administrator Tucker to clarify the difference between the City's participating with Charleston Cares and the City's sending a relief team, especially when the City has been unable to identify a community that needs the assistance. Administrator Tucker

commented that she has the names of other communities to contact, but has been reluctant to do so without the authorization from City Council. The Administrator continued that the major difference between the two (2) is that the City's crew is a working crew, not just delivering goods; any goods and materials that are sent need to have someone on the other end to offload, catalog, warehouse and distribute them. Administrator Tucker recalled that the City had warehouses full of goods sent by people across the country after Hurricane Hugo, as well as trucks stacked on the Connector with more goods when there was no place for them – there was more than could be distributed because there was no way to distribute them. Although Charleston Cares serves a good purpose, the City's team would serve a different purpose as they go to work.

Assuming that Council approves a relief team, Councilmember Stone asked what the source of funds would be; Administrator Tucker stated that, with Katrina, the Disaster Fund was the source.

Councilmember Ward asked why the team would be made up of nine (9) members and why the time frame was twelve (12) days. The Administrator stated that the Katrina team had nine (9) members from three (3) departments – fire, police and public works – which seemed to work well; the term was established based on a day's travel there and back leaving ten (10) days for hard work. The number of people and the time worked well with Katrina and it seemed reasonable to repeat.

Additionally, Councilmember Ward asked what other communities were sending assistance to the affected area on a budget of sixty-one thousand dollars (\$61,000); Administrator Tucker said that she was not aware of what other local governments might be doing or have done. The Administrator did know that, under the Emergency Management Assistance Compact (EMAC), a federal reimbursement program, Mount Pleasant responded to the need for a specific talent that their personnel had; under that program, the only expense Mount Pleasant incurred was for the overtime of the personnel who filled in for those who were absent. Councilmember Ward indicated that the cost to Mount Pleasant had been less than one thousand dollars (\$1,000). The Councilmember then noted that City Council had transferred one hundred fifty-five thousand dollars (\$155,000) to the Disaster Recovery Fund, and the effort would use sixty-one thousand five hundred dollars (\$61,500) from the Disaster Recovery Fund.

Mayor Cronin indicated that he did not think the City would need the amount stated in the budget presented; he stated that had the team gone to the City originally considered, there would have been no cost for living quarters because housing had been offered by an island resident who has property in the area.

Councilmember Bergwerf stated that residents have expressed a desire for the City to provide assistance.

Councilmember Carroll related losing everything he owned in Hurricane Hugo, but opined that sending a relief team six (6) weeks after the disaster did not seem to be practical.

Mayor Cronin remarked that he was beginning to doubt that the City would identify a community that needs the City's assistance, but he wanted Council's support for such an activity.

Councilmember Loftus suggested that the City establish a fund for future events to allow the City to react quickly; he wanted this to be a consideration in building the FY14 budget.

VOTE: The motion PASSED on a vote of 6 to 2; Councilmembers Carroll and Ward voted in opposition to the motion.

B. Recommendations from the ATAX Committee

- 1. Approval of an amount not to exceed \$6,000 - \$3,000 for a full page advertisement in the 2013 Spoleto program book and \$3,000 for camera-ready art.**

MOTION: Mayor Cronin moved to approve \$6,000 for Spoleto advertising and camera-ready art; Councilmember Stone seconded.

Administrator Tucker reported that this action is the result of the ATAX Committee re-addressing Spoleto, responding to the concerns from City Council in October and addressing their aim of getting more visitors to the island in the off-season via the Spoleto advertisement. The ATAX Committee hopes that the camera-ready art will be useful in other publications as well.

Councilmember Loftus asked whether the art would be used year after year for Spoleto advertising; the Administrator stated that the goal was to have artwork that could be used, not only for Spoleto, but for other things as well with minor text changes.

Mayor Cronin recalled that the question had been raised about the Charleston Visitors Bureau (CVB) already having camera-ready art that the City could use or whether they could assist the City with developing camera-ready art. Administrator Tucker reported that she had spoken with the CVB and that they had indicated that they stay busy doing their own advertising materials.

VOTE: The motion PASSED UNANIMOUSLY.

- 2. Approval of \$2,000 for the 2013 Dunlop Junior Tennis Championship, February 16-17, 2013**

MOTION: Mayor Cronin moved to approve \$2,000 for the tennis championship; Councilmember Loftus seconded.

Mayor Cronin stated that Dewey Caulder was available to answer questions members may have.

In voicing his support for the event, Councilmember Loftus asked that the organization holding the event to give the City the contact information of the participants to add to the City's database for the City's newsletter as well as provide the information to the rental agencies on the island in an effort to maximize the City's exposure.

Mr. Caulder said that he did not think that would pose a problem for the organizers; he indicated that many participants stay on the island. He added that they have the capability of tracking

where their participants stay and could provide that information to the ATAX Committee. Mr. Caulder stated that the City's support would be recognized in the application and on the event website as a hotel site.

The website for the event is on the event link from the South Carolina Tennis Association; registration for this event has not been opened. The registration will contain information regarding accommodations available for the event.

Despite the fact that this event coincides with the Wildlife Expo, this tennis championship will attract three hundred fifty (350) young people and their families from the nine (9) Southern states, as well as outside that area.

Councilmember Ward remarked that Mount Pleasant was providing a sponsorship of twenty-five hundred dollars (\$2,500) and three (3) of the venues are in Mount Pleasant. Councilmember Ward asked if the organizers had approached the City of Charleston for a sponsorship; Mr. Caulder said that they had not.

VOTE: The motion PASSED on a vote of 7 to 1; Councilmember Carroll cast the dissenting vote.

C. Award of a contract to Love Chevrolet in the amount of \$103,380 for 5 budgeted Impala patrol vehicles at state contract pricing

Administrator Tucker explained that the FY13 budget anticipated purchasing six (6) patrol vehicles, but, since Captain Caldwell lives on the island, the mileage on her vehicle is low enough (76,777) that Chief Buckhannon believes that the replacement can be delayed a year. If this action is approved, the City will carryover a balance of twenty thousand nine hundred twenty dollars (\$20,920) toward its replacement in FY14 along with the SUVs.

MOTION: Mayor Cronin moved to award a contract to Love Chevrolet for \$103,380 to purchase 5 Impalas at state contract pricing; Councilmember Bettelli seconded.

Councilmember Loftus asked what the mileage was on the vehicles being replaced; the mileage is as follows on November 6, 2012:

2006 Chevrolet	116,844	2007 Chevrolet	133,566
2007 Chevrolet	111,723	2007 Chevrolet	90,638
2007 Chevrolet	87,400		

The Councilmember then asked whether the vehicles with less than one hundred thousand miles (100,000) could be driven another year. The Administrator stated the Chief Buckhannon has indicated that mileage on a police vehicle versus mileage on a family vehicle is dramatically different due to the fast pursuits to a quick stop and the constant stop-and-go; this type of driving takes a big toll on a vehicles. To drive them another year has typically cost the City a considerable sum in maintenance negating the value of keeping it; in addition, the replacement cycle would be completely out of synch.

Councilmember Ward asked how many vehicles were assigned to the Police Department; Chief Buckhannon responded that there are twenty-one (21).

VOTE: The motion passed unanimously.

D. Authorization for Engagement of McNair Firm

Administrator Tucker explained that the City received notification of a random IRS audit of the Public Safety Building bond; the IRS sent the City a list of questions to be answered. Once the staff had answered the questions to the best of their ability, they were forwarded to the McNair Firm, the firm that helped with the original bond issue, for their review. In that process, the Administrator and Treasurer learned that this is a far more complicated matter than they understood it to be; therefore, the McNair Firm offered to assist the City with the submittal, which they have done. Based on how random this was and that the City does not know of any problems with the City's bond, the City does not anticipate incurring any additional expense unless the IRS wants more information or if the IRS decides to look at the City's other bonds. At this time, staff needs authorization to engage the McNair Firm to assist with this IRS audit. The deadline for the submittal along with a small extension was November 20th.

MOTION: Councilmember Carroll moved to authorize the engagement of the McNair Firm; Councilmember Bettelli seconded.

Councilmember Loftus inquired about the cost for this engagement; the Administrator responded that she did not anticipate the cost to exceed two thousand dollars (\$2,000). The tax attorney's hourly rate is four hundred dollars (\$400).

VOTE: The motion PASSED UNANIMOUSLY.

7. MISCELLANEOUS BUSINESS – None

Next Meeting Date: 5:45 p.m., Tuesday, January 15, 2013.

8. Adjourn

Mayor Cronin adjourned the meeting at 7:37 p.m.

Respectfully submitted:

Marie Copeland
City Clerk