

WAYS and MEANS COMMITTEE
7:00 p.m., Tuesday, February 21, 2012

The regular meeting of the Ways and Means Committee was held at 7:00 p.m. on Tuesday, February 21, 2012 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Loftus, Thomas, and Ward, Mayor Cronin, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland. Councilmember Stone's absence was excused, and 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 the Minutes of the Previous Meeting**

MOTION: Councilmember Bettelli moved to approve the minutes of the regular meeting of January 17, 2012 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

Mayor Cronin noted that, contrary to the entry on City's calendar, Charleston County recycling will be Thursday, not Wednesday; the County was closed for President's Day, pushing collection out one (1) day.

4. **Financial Statement – Treasurer Suggs**

A. January Financial Statement

The information provided for this meeting is through January 31, 2012, the seventh month in the fiscal year. With the target fifty-eight percent (58%), General Fund revenues are at thirty-nine percent (39%) of budget, and expenditures are at fifty-one percent (51%) of the General Fund budget. As reported last month, Treasurer Suggs noted that Property Tax revenues are running behind schedule due to the computer issues at the County that delayed the delivery of tax notices. The Treasurer announced that the City had received approximately nine hundred thousand dollars (\$900,000) in February; collections appear to be running about a month behind. She pointed out that Business Licenses and Building Permits revenues are over one hundred percent (100%) of revenues were in FY11. General Fund cash at the end of the month was at twenty-two percent (22%) of General Fund expenses, and all departments are well within their budgets.

B. Tourism Schedules

State Accommodations Taxes – The City received in excess of one hundred eighty-four thousand dollars (\$184,000) for the December quarter. This payment includes the correction from the September 2011 quarter of approximately fifty thousand dollars (\$50,000), but, with that adjustment removed, the City received its largest check ever for this period of time. Receipts year-to-date have increased by thirty-one and one tenth percent (31.1%) over FY11.

Municipal Accommodations Fees – Collections year-to-date are up ten percent (10%) from FY11.

Charleston County Pass-through – In this fund also, the City has received the largest distribution ever from this source.

Hospitality Taxes – With twenty-one (21) tax payers, collections in January were nearly twenty-one thousand dollars (\$21,000); this fund is running three percent (3%) behind FY11. Responding to Councilmember Bettelli's question, Administrator Tucker stated that two (2) payers continue to be delinquent; Mayor Cronin assured the Committee that they "are being pursued with vigor."

Councilmember Ward asked why January's FY12 collections were one hundred percent (100%) greater than January FY11; Treasurer Suggs stated that she had not researched the payers one year to the next.

Administrator Tucker reminded the Committee that the number of taxpayers varies month to month because it is made up of caterers who serve on the island as well as the island's restaurants.

C. Projects Status

1. Beach Restoration – Expenses in the month were to Coastal Science and Engineering for permitting, engineering and design of the 2012 Shoal Management Project and to Halversen and Associates for contract legal review. Funds remaining in this project budget exceed six hundred fifty thousand dollars (\$650,000).

2. Marina Dredging – The first application from Marcol Dredging has been paid, as well as expenses related to contract oversight by GEL.

Councilmember Loftus asked for an update on the docks that need to be moved. The Administrator commented on the fact that dredging is an inexact science and things do come up that could not have been anticipated in the design. The first of such circumstances was that the pilings at the City docks had to be removed in order to adequately dredge under those docks; the second issue is a major SCE&G underground power line that feeds power to Goat Island which is located near the large drainage ditch. When the City contacted SCE&G to mark the line, SCE&G responded that they wanted the City to stay out of the entire easement with the dredging project which meant that there was no way to dredge behind the TidalWave docks without moving the piling and a portion of their floating dock. The City has been pursuing several options; they are (1) removal of the TidalWave dock pilings and moving the dock out of the way, (2) SCE&G's getting the proper equipment to the site to positively mark the line's location yet still stay ten (10) feet away on either side when dredging, or (3) pull the pilings and replace the TidalWave docks, which was budgeted for this year. The locating equipment can be rented for one thousand dollars (\$1,000), but staying ten (10) feet from it may not allow enough room to accomplish the dredging goal. When the Real Property Committee meets in March, Administrator Tucker expects to have the pricing for each option for the Committee to make a recommendation to the next Ways and Means meeting. The Administrator added that the need

to get into that area to dredge is not in question since the TidalWave docks are sitting at an angle on lunar low tide and are being damaged; if the area is not dredged, it is not reasonable to replace the docks as planned. In addition, the City had committed to assist with the general silting that is happening at the drainage ditch, causing problems for the neighboring private dock, and the City needs to live up to its commitment. The issue is not time-sensitive for this meeting, but the dredger has turned the corner to go into Morgan Creek, so a decision will become time sensitive when they come out Morgan Creek to demobilize.

3. 53rd to 57th Avenue Drainage – Treasurer Suggs reported that all contracts related to this project have been paid. When asked by the Mayor about why this project schedule was presented, Administrator Tucker explained that, when the City started the 53rd to 57th Avenue project, the City had entered into an easement agreement with Wild Dunes whereby the City agreed to relocate the line if it conflicted with future plans. Wild Dunes is now moving forward with a pool for The Villages that will be situated over the drainage line, so the line must be relocated at the City's expense and relative to the 53rd to 57th Avenue project, which is the reason behind leaving this worksheet open until the line has been re-located. The Administrator reported that the relocation of the line will be under the guidance and inspection of Dave Stevens of Civil Site Environmental (CSE), and the City will have a permanent easement when the work has been completed.

Councilmember Bettelli inquired whether the City had reconciled the expenses related to this project with Charleston County. Treasurer Suggs explained that she had submitted all of the invoices to Charleston County, and she is waiting for their formal acceptance of the documentation.

Councilmember Carroll wanted to know if there were sufficient funds in the project budget to cover the cost of the line relocation; Administrator Tucker referred to the project worksheet that indicates a remaining balance in excess of one hundred fifty-nine thousand dollars (\$159,000). Mr. Stevens stated that CSE was waiting for the drawings for the revision, and he would have a good idea of the cost once he has reviewed them.

D. Expected Change to Year-end Financial Statement related to the South Carolina Retirement System

Treasurer Suggs commented on recent articles in the local press about the issues Mount Pleasant faces relative to post-employment liability, OPEP, and health care coverage. Unlike Mount Pleasant, retirees are eligible to participate in the City's health care plan at their expense, so the City has no explicit or implicit liability associated with those future benefits.

Another item in the media that will affect the City is that the Governmental Accounting Standards Board is working on requirements for municipalities that participate in a state retirement plan, which the City does. The retirement plan is underfunded and the local governments will be required to disclose in the audited financial statements their pro-rata share of that unfunded liability. This standard will not affect the City in 2012, but may in 2013 or there could be some sort of phasing in of the standard. Treasurer Suggs emphasized that this issue will not cause any cash outlay; it is the recognition of a liability within the financial statement for the City.

Mayor Cronin stated that approximately a half million (500,000) people in the state participate in the South Carolina Retirement System which is said to be sixty-five percent (65%) funded.

5. Old Business – None

6. New Business

A. From the Public Works Committee

1. Recommendation for the Award of a Sole Source Contract to Civil Site Environmental in the amount of \$169,000 for the design, bidding and construction oversight of 42nd to 52nd Avenue Drainage Project

Mayor Cronin indicated that Mr. Stevens' proposal had been included in meeting packets for review.

MOTION: Mayor Cronin moved for the contract award as stated; Councilmember Loftus seconded.

Councilmember Buckhannon remarked on the positive results from the 53rd to 57th Avenue project; with the amount of rain that fell over the weekend, those streets had no standing water, but the lower streets were flooded. He added that the City was getting a great return on its investment.

Pursuant to the requirements of the City's Procurement Code, Administrator Tucker explained the reasoning behind the request for a sole source award as follows:

- Civil Site Environmental (CSE) and Mr. Stevens have a huge familiarity with the infrastructure within Wild Dunes;
- CSE and Mr. Stevens have good network relationships with the Wild Dunes Community Association and Lowe Wild Dunes Investors;
- The greatest chance of a successful project is using a firm with that network and level of familiarity and trust.

The Administrator noted that eighty thousand dollars (\$80,000) was in the FY12 budget for design and engineering for this project, and the project will span more than one (1) fiscal year. The FY12 budgeted amount will likely not be spent; therefore, there will be a carryover into FY13. She added that the City will be pursuing all sources of revenue to add to the City's to execute the plan.

VOTE: The motion PASSED UNANIMOUSLY.

B. Award of a contract to A.B. Evans in the amount of \$3,900 for a path and pad at the Compactor located in the Municipal Parking Lot

Mayor Cronin recalled that this task had been introduced at the last Council meeting regarding the difficulty the restaurants were having traversing the gravel lot to the compactor.

MOTION: Mayor Cronin moved to award the contract to A.B. Evans for \$3,900; Councilmember Loftus.

Councilmember Bettelli inquired about the source of funding for the contract; Administrator Tucker stated that funding would be from a tourism fund that has funds remaining to be used in this fiscal year.

Councilmember Buckhannon added that staff had been charged with talking to other Front Beach businesses to determine how they were managing the same issue; they learned that all of the businesses were experiencing difficulties. In the end, the Committee and staff decided that the City had a safety issue that could be resolved with the path and pad.

Councilmember Ward asked which tourism fund would be used; Treasurer Suggs replied that Municipal Accommodations Fees has a line for "Front Beach Miscellaneous and Contingency" that holds five thousand dollars (\$5,000) and a line for "Maintenance and Repairs" with five thousand dollars (\$5,000).

The Administrator explained that only money that has been budgeted, but not spent, would be used for this project. At the Committee, the specific category had been checked to ensure that funds were available. The Administrator added that the main issue now is that the City has been put on notice of the possibility for injury, and dealing with an injury would cost considerably more than thirty-nine hundred dollars (\$3,900).

Councilmember Buckhannon stated that the Committee had been aware of the fact that any action would be a non-budgeted expense, and, when the subject was brought to them for the second time, the cost had been reduced from six thousand dollars (\$6,000) and a budgeted source of funds had been found.

VOTE: The motion PASSED UNANIMOUSLY.

B. From the Real Property Committee the Affirmation of \$3,000 in expense related to moving pilings to accommodate dredging

Administrator Tucker noted that the contingency money was spent, and, as discussed earlier, removing the pilings at the City-owned docks was necessary to get the dredge into that area of the marina.

MOTION: Mayor Cronin moved to affirm \$3,000 in expense to remove pilings to accommodate dredging; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

C. Award of a Contract for the 2012 Shoal Management Project

Administrator Tucker reported that the City had a competitive bid opening Friday, February 17; Baker Infrastructure Group was the low bidder at \$2.95 per cubic yard for sixty thousand (60,000) cubic yards and \$2.45 per cubic yard for thirty thousand (30,000) cubic yards in Alternate One for a project total of ninety thousand (90,000) cubic yards of two hundred fifty

thousand five hundred dollars (\$250,500). The bid bonds and references have been checked, and the City's engineering firm Coastal Science and Engineering has recommended the award of a contract to Baker Infrastructure Group for the project. The Administrator recalled from the Beach Restoration project worksheet that the funds available for this project equal six hundred fifty thousand six hundred sixty three dollars (\$650,663) – more than adequate funds to move forward with the shoal management project.

MOTION: Mayor Cronin moved to award a contract to Baker Infrastructure Group in an amount up to \$250,500 for the 2012 Shoal Management Project; Councilmember Bettelli seconded.

The Administrator mentioned the possibility of a risk factor of possibly uncovering sand bags as the sand is harvested. In 2008, every effort was made to remove all of the sand bags, but the possibility does exist that the excavations could uncover more. Whether there are a few or a lot, the City will be responsible for the expense of removing them.

In addition, Administrator Tucker explained that this project would be deployed in the same manner as the 2008 project in that law enforcement will be on the beach to answer questions and to keep people out of the project area. The 53rd Avenue beach access will likely be used for vehicles to access the project area; no work will take place over the Easter weekend.

Mayor Cronin remarked that the City still has not received the permit from the Corps of Engineers, and a Notice to Proceed cannot be issued until it is.

Vote: The motion PASSED UNANIMOUSLY.

D. Discussion of Prioritization of TST Funding Requests

Assistant Dziuban stated that requests must be submitted by March 1, 2012, and each request is accompanied by a three-page project checklist. Both the Public Safety Committee and the Public Works Committee have the opportunity to put forward requests since projects that can go forward fall under the purview of those committees. The Public Safety Committee's first priority was for the 42nd to 52nd Avenue drainage, and the second priority was for a bike path from the foot of the Connector connecting to Palm Boulevard. The Public Works Committee also selected the drainage project as its first priority, but the second priority was a bike path from Breach Inlet to 57th Avenue, and the third was the bike path from the Connector connecting to Palm Boulevard.

MOTION: Mayor Cronin moved to submit the 42nd Avenue to 52nd Avenue drainage project as the City's number one priority; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Councilmember Loftus stated that, related to these requests, is a project by the county of putting a bike path on the Connector. Mayor Cronin explained that an initiative had come forward to reconfigure the Connector to make it more bike-friendly; the County presented options that were so expansive that the railings would have to be heightened and created a barrier between cyclists and pedestrians and vehicular traffic. The Mayor expressed with confidence that the

proposals had not been presented to DOT; in addition, a question exists as to whether the Connector could bear the weight of the additional barriers. At any rate, the Public Safety Committee did not want to raise the height of the side railings, and the center lane must be kept wide enough to accommodate emergency vehicles. In the end, they said that a rumble strip could be installed to segregate the bikers/pedestrians from vehicular traffic; further action would be up to the County to find the funds and to work with SC DOT to determine the suitability.

From that discussion came the idea of getting bicyclists out of the lanes of vehicular traffic when they come off the Connector approaching Palm Boulevard. There is hope that between the right-of-way and the buffer behind the Public Works Building to construct a bike path.

Councilmember Loftus expressed concerns about the lack of infrastructure on the island to accommodate cyclists, and making the Connector inviting to bikers when the island is not able to handle them is a serious mistake. He voiced his opinion that the focus needs to be on creating the safe infrastructure for cyclists and motorists from Breach Inlet to 57th Avenue, and then address the entry to the island from the Connector and the Connector improvements last.

Councilmember Bettelli insisted that bikers and pedestrians need a safe way to exit the Connector regardless of what type of lanes are on the bridge. He added that, if the City were fortunate to be awarded funds for its number one request, the City would not have success with a second choice that likely is more costly than the first.

The Mayor agreed that bike paths from one end of the island to the other would be an expensive project and that the City needs to get some idea of what those costs are. He stated that the County would be resurfacing Palm Boulevard between 41st and 57th Avenues, and, along with that work, they will add an asphalt shoulder on the inland side.

Administrator Tucker mentioned that the City has a limited amount of control over the Connector since it falls under the jurisdiction of SC DOT. As to the discussions on making the Connector more biker-friendly, the Administrator reported that the County has been lobbied hard by the biking organizations to ensure that road improvements using TST or CTC funds also think in terms of road improvements for cycling; such pressure induced them to generate the concepts for the Connector.

From the earlier discussion, the Administrator suggested that the City not have a third request, but combine what were being discussed tonight as two and three into one request for bike lanes on both sides of the road from Breach Inlet to 57th Avenue and the improvements to exiting the Connector onto the island.

Mayor Cronin noted that only three hundred thousand dollars (\$300,000) was distributed in total in 2011.

Administrator Tucker asked for the Committee to confirm that they would be looking at regulation bike lanes on both sides of the roadway.

Councilmember Bettelli asked Chief Buckhannon if the officers would be allowed to enforce keeping bikers in the bike lanes if regulation bike paths were constructed. The Chief confirmed

that officers could enforce bikers staying in the lanes, assuming that the bike lanes met the legal specifications.

Councilmember Carroll asked Chief Buckhannon if he got many complaints about cyclists in the roadway; he answered that the recent complaints have come primarily from Waterway Boulevard in regards to cyclists running STOP signs. The Chief added that a public service announcement has been placed on the website about these complaints and contacts have been made with various cycling groups to keep their membership informed.

Councilmember Buckhannon voiced the opinion that the City should begin to reserve funds now to construct regulation bike paths the length of the island and to consider accomplishing the task in segments, possibly beginning with the area between 21st and 41st Avenues.

Councilmember Loftus suggested applying to Charleston County to allow the City to use its Greenbelt funds for bike lanes, which is a green initiative. The Mayor referred to the Committee assignments he made the previous evening and referred the issue to the Recreation Committee.

MOTION: Mayor Cronin moved for the City's second priority request to Charleston County to be engineering for bike enhancements from Breach Inlet to 57th Avenue and entry onto the island from the Connector; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

E. Consideration of Change to the Capital Threshold from \$1,000 to \$2,000

Treasurer Suggs stated that the timing for such a change is with the budgeting process to ensure items are properly budgeted. In addition, an increase to the capital threshold has been one of the Management Comments from the auditors for several years; they, in fact, suggest an increase to five thousand dollars (\$5,000).

Councilmember Ward asked the Treasurer why she was not following the auditors' recommendation; he considered five thousand dollars (\$5,000) a reasonable number.

MOTION: Councilmember Ward moved to increase the capital threshold to \$5,000; Mayor Cronin seconded the motion.

Councilmember Loftus expressed opposition to an increase of this magnitude.

Councilmember Carroll asked what other local governments do; Treasurer Suggs responded that Mount Pleasant probably had a five thousand dollar (\$5,000) threshold.

According to the Treasurer, the increase would result in less record keeping for her. The Mayor added that it would result in only a recording change, not a change in cash handling.

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

F. Consideration of Projects in Greater than \$250,000

Administrator Tucker commented that this list has gone through the initial review by Committees and, at the March meetings, each Committee will produce a list of its top five (5) priorities for the City. Those lists will be compiled into one (1) list that will be presented to this Committee at the next meeting. In the Administrator's opinion, this exercise helps the City to focus on the many things it could or should do. As staff prepared the list, items that were removed two (2) years ago were added back because they thought it important for people to see everything that was thought about at that time, i.e. the Public Safety Outpost and the 41st Avenue roundabout. Staff has been discussing the idea of giving a different name to ball field reconfiguration because it does not have the full impact of the intent to do what needs to be done at the site; it will likely become Phase Two of Recreation Expansion.

Councilmember Loftus stated that the outpost and the roundabout should be permanently removed from the list; in his opinion the item that should be included are those "which have some viable value to the island."

In Councilmember Carroll's opinion, items on the list should be of value to the residents of the island, but he questioned spending a large sum on the marina when Isle of Palms is a residential community.

Mayor Cronin remarked that items have been added to and removed from this list for a period of ten (10) years. On the topic of the marina, he recounted that the marina manager had made a presentation to City Council in the last year about a conceptual marina enhancement plan that he had commissioned. As impressed as Council was with the concept, the marina manager was told that he would need to find the revenue stream to make it a reality.

G. Review of FY2012-2013 Capital Budgets and Long Range Plans

Mayor Cronin explained that this was the first step in the budgeting process; in March Council will see the operating budgets; in April they will first see the projected revenues and participate in the budget workshop.

Administrator Tucker noted that, as requested, the members had been given copies of the City's debt schedule and the Fund Balance Roll-forward schedule.

Administrator Tucker explained that, when working on the Ten Year Capital Plan, staff tries to look long-term at anticipated expenses for the City and to spread them over the period. When these items come up for replacement on the schedule, staff evaluates them to determine if the replacement is necessary at this time. Experience has taught that certain things need to be kept on a strict replacement cycle to avoid experiencing inordinate increases in maintenance. Another way capital budgets are impacted is by new technology or new device that improves operations in a department that generates an addition to the capital plan. According to the Administrator, in many respects the Capital Budgets build themselves; then they are refined and tweaked.

In General Government, the first item that garnered discussion was the reconfiguration of the rear entrance to City Hall for thirty-thousand dollars (\$30,000); Administrator Tucker explained that this would be the addition of an awning to allow people and materials to be loaded and unloaded out of the weather. Councilmember Loftus stated that such an item would be nice, but it was not truly needed, and he added that he was not interested in raising taxes for the citizens of the island.

Councilmember Bergwerf agreed and the Committee agreed to remove the item from the budget for consideration.

When the Administrator described the proposal to replace the "Welcome" sign at the foot of the Connector, Councilmember Loftus stated that the sign appeared to be in good shape and should be deferred. The Mayor suggested leaving it in the budget for the time being as the Public Works Committee had been charged with making decisions about signage on the island.

The implementation of a system to accept credit cards for thirty thousand dollars (\$30,000) is the City's attempt to be more responsive to the public, and staff is trying to refine this quote which is a couple of years old. The City has learned that there are impacts in three (3) areas – on the credit card end plus costs with the bank and costs with the internet provider. In the time since this quote was received, costs have come down as the use of credit and debit cards has become more commonplace.

Councilmember Loftus asked that a return on investment analysis be done when the costs are determined because the cost would be an ongoing one for the City. He expressed concern that the City would lose money over the various fees charged or be forced to raise its own fees to cover those costs.

Administrator Tucker explained that these were all of the things that staff was investigating; she noted that a state system could be a viable option for the City. The Administrator added that the City would likely pass along the expenses associated with credit/debit card use as a convenience fee.

Another issue to be resolved relates to the RecTrac software used by the Recreation Department; that software has a module for the acceptance of credit cards, but that software must be able to communicate with the banking entity as well.

Councilmember Buckhannon asked whether the City would accept cards on the website; the Administrator said that the goal was to do on-site and via the website. As stated earlier, the staff is in an exploratory mode presently.

Before moving on to the Police Department, Mayor Cronin pointed out that the replacement of the City Hall generator has been moved to FY14.

The Police Department looks to replace six (6) patrol vehicles which are on a six-year replacement cycle. Typically, three (3) vehicles would have come up for replacement, but, six (6) years ago, the City increased the number of patrol officers and added the Livability Sergeant necessitating the increase in the number of vehicles.

Referencing the purchase of five (5) portable driver's license scanners, Councilmember Loftus asked if a scanner would be in each patrol vehicle, and, if so, how many would be needed in total. Chief Buckhannon answered that the laptops are not permanently installed in the vehicles; the officers pick up a laptop as they begin their shifts, and the scanners are attached to the laptops. This is a new item that will go with the new court system and eliminates the keying of data into the laptop thereby reducing the error-rate.

Chief Buckhannon explained that the equipment to enable the automatic upload of patrol video would be attached to the cameras in each vehicle; this will provide further protection of the evidence and reduce the number of hands through which the information must pass.

Councilmember Buckhannon noted that the replacement of the license scanners and the automatic upload was not represented in the ten-year long-range plan; Chief Buckhannon explained that, until the budget item has been approved, it is not added to the replacement cycle.

As the City prepares for moving to the Charleston County Consolidated Dispatch Center, a new budget has been established to foreshadow the expenses that the City will incur as it works toward a successful transition. Key factors to a successful move will be maintaining a skeleton staff to monitor the radio and a program of citizens' education. At an upcoming meeting with the Consolidated Dispatch team, the City's staff hopes to have a clearer picture of what to expect as the process progresses.

Mayor Cronin commented that the County would like to have the City move to the Consolidated Dispatch Center in July of 2013, but Chief Buckhannon has said that September or October is a more realistic timeframe.

The Fire Department has kept the purchase of two (2) radio repeaters as a placeholder for the past couple of years waiting for the proper FCC licensing; one (1) repeater has been purchased and installed on a ladder truck. With the upgrades to the County radio system, Chief Graham believes that one (1) repeater per ladder truck will meet the needs of communicating in the larger structures on the island.

The Porta-count machine, a new item on the budget, will allow the City to perform its own "fit" tests to the breathing masks – ensuring that each firefighter is receiving sufficient air to support his/her body; the unit being considered will be OSHA compliant.

Responding to Councilmember Ward's queries, Chief Graham indicated that the City has two (2) jet skis that are on a three (3) year replacement cycle; from experience, the Department has learned that the jet skis do not stand up for more than three (3) years.

Councilmember Buckhannon again stated that the City should establish "sinking" funds to set aside funds for the purchase, not lease, of "big-ticket" items, like fire trucks. He indicated that he would like to see a purchase price estimated and a plan established to prepare for that purchase, thereby eliminate the interest expense. Administrator Tucker restated her understanding that Councilmember Buckhannon wanted the verbiage "replacement of the 2003 pumper truck" to be replaced with "reserve for the replacing the 2003 pumper truck" and to begin to put money aside every year.

The items included in the Capital Budgets for the Public Works and Building Departments did not generate any discussion from the Committee.

When the replacement of the Recreation Department vehicle came up, Councilmember Loftus commented that he thought the Department should be able to get more than eighty thousand (80,000) miles from it. Councilmember Buckhannon expressed no issues with replacing public safety vehicles on a six (6) year cycle, but he did not think of the Recreation Department vehicle as vital. The consensus of the Committee was to defer this purchase for another year.

The construction of a sand volleyball court for twenty-seven thousand dollars (\$27,000) generated a great deal of discussion; Recreation Committee Chair Bergwerf thought that the Committee had deferred this item for more research into the need to the residents. Director Page stated that she had gotten quotes and learned that the grading – to dig out, prepare, and install proper drainage, then sand – alone is twenty-thousand dollars (\$20,000) and the equipment adds five to seven thousand dollars (\$5,000-7,000). The Director added that a sand court had to be constructed properly to reduce the chances of injury and a lawsuit against the City. Since sand volleyball is becoming a competitive sport in the local high schools, a court at the Rec Center could become a practice and game venue. The Committee agreed to leave the item in the budget noting that it would likely be cut in April.

In dialoguing about Phase 2 of the Recreation Department expansion, Councilmember Buckhannon suggested that the Committee needed to be more realistic, look into replacing the lights in the existing configuration and look to other improvements in the future. Councilmember Loftus added that the concept was great, but that the City could not afford to do it without raising taxes on the citizens.

Referring to the replacement of three (3) pieces of cardio equipment for thirteen thousand dollars (\$13,000), Councilmember Loftus recommended that the Director negotiate a better deal; he recalled that all of the cardio equipment for the Public Safety Building had cost twenty-three thousand dollars (\$23,000). Director Page reported that the initial purchase of six (6) pieces of cardio equipment had been just over twenty-five thousand dollars (\$25,000) in 2005, and, seven (7) years later, the price has changed very little. The Director added that the Public Safety Building has only one (1) piece of cardio equipment and several stationary weight machines.

Councilmember Buckhannon stated that he did not recall seeing the replacement of the lights at the tennis courts and soccer fields on the ten (10) year plan in past years. He wanted to see the lights treated the same as equipment and to establish reserves for their replacement.

Following up on discussions at the Real Property Committee on the emergency callboxes on Front Beach, Administrator Tucker reported that they are still functional, but are seldom used. If the City did not want to fund the ongoing maintenance of the callboxes, they should be removed. Councilmember Buckhannon indicated that the surveillance cameras are installed on those poles; therefore, the cameras would need to be relocated or eliminated.

Councilmember Buckhannon remarked on the scheduled radio replacements in FY17 that, for the Fire Department alone is projected to be three hundred ninety-nine thousand dollars

(\$399,000). He suggested that the City look at the radio replacement cost city-wide and begin to set aside funds for them.

7. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, March 20, 2012

8. Executive Session – not needed

9. Adjourn

MOTION: Councilmember Bettelli moved to adjourn the meeting at 8:13 p.m.; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk