

WAYS AND MEANS COMMITTEE

5:45 p.m., Tuesday, April 17, 2012

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, April 17, 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, Stone, Thomas and Ward, Mayor Cronin, Administrator Tucker, Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland. A quorum was present to conduct business.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. Executive Session

MOTION: Councilmember Bergwerf moved to go into Executive Session at 5:48 p.m. for the receipt of legal advice and discussion of negotiations incident to proposed transfer of property interest in road right-of-way; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

The Ways and Means Committee reconvened in regular session at 6:18 p.m.; Mayor Cronin announced that the Committee had taken neither an action nor a vote in Executive Session.

3. Approval of Previous Meeting's Minutes

MOTION: Councilmember Stone moved to approve the minutes of the regular meeting of March 20, 2012 as submitted; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

4. Citizens' Comments

SCE&G request for easement for underground power line and riser (pole) on 1303 Palm and #8 and #10 Thirteenth Avenue by Westy Westmoreland and Corey Touard

Mr. Westmoreland explained that the reason for their visit to this meeting was to discuss an opportunity to bring a second transmission source to the island; the City will benefit significantly in reliability. In 1991 the first transmission source was brought to the island, and it is the overhead line across Hamlin Creek coming into the substation to the rear of City Hall. Presently, the island has a one-way feed, which is very reliable, but, if the line is lost, SCE&G can seldom support the electrical load to the island. Due to a number of factors, SCE&G now has the opportunity to bring a second transmission line to the City that would be substantially underground.

Mr. Touard reported that, in 2006, SCE&G went through a siting study, which is a public works workshop with public involvement, where routes are defined; at the time, SCE&G was looking for a second line to the Hamlin substation. As negotiations proceeded with the Town of Mount Pleasant, the question arose about placing the line underground. Mr. Touard explained that SCE&G does not normally put the lines underground due to the substantial increase in costs associated with underground lines; normally a third party pays for the cost difference between

underground and overhead. Through the negotiations with Mount Pleasant, the agreement was reached for the Town to provide the rights-of-way and future substation sites in exchange for undergrounding the line. With the innovations to drilling underground since 2006, a loop can be established by including the Isle of Palms with the Hamlin line originally proposed.

Based on discussions with the Real Property Committee, SCE&G engineers re-routed the line at the rear of the property which housed the Building Department, skirting the big oak at the Public Works facility; the riser will come up in the right-of-way on 13th Avenue to feed into the substation. The plans for a municipal parking area on 1301 Palm will not be interrupted because parking is an allowable use of the easement.

MOTION: Councilmember Stone moved to grant the easement to SCE&G as requested; Councilmember Bettelli seconded.

Councilmember Bettelli asked Mr. Touard about the appearance and height of the riser; Mr. Touard offered a picture of a riser for the Committee to view and stated that the height would be eighty-five feet (85 ft.). A photograph of the riser is attached to the historical record of the meeting.

Councilmember Carroll expressed concern about the effect on the aesthetics of a pole in the vista as people come onto the island and asked if the line could come in from the marsh at the end of 13th Avenue. Mr. Touard explained that the structures that are already there do not leave the required amount of space for the switching station; he also repeated the unique position the City is in to have an underground rather than overhead line for the price of granting an easement.

Mayor Cronin emphasized the importance of the increased reliability that the new line will create; he commented that the City has been lucky that the overhead lines have not been interrupted for some reason. Such an interruption could lead to the island being without power from a matter of days to weeks.

Councilmember Ward wanted to know how the project would be financed; Mr. Westmoreland explained the cost would be put into the rates base for six hundred thousand (600,000) people, and the total project costs are in the tens of millions.

Responding to Councilmember Buckhannon's question about the time frame for the work, Mr. Touard said that the work was scheduled to begin in the fall with completion is about nine (9) months.

VOTE: The motion PASSED on a vote of 8 to 1; Councilmember Carroll cast the dissenting vote.

Sandy Ferencz, Chair of the ATAX Committee, took the podium to explain the reasoning behind the ATAX Committee's additions to the ATAX FY13 budget; she emphasized that this ATAX Committee is committed to bringing "heads in beds" to the Isle of Palms in the off-season. The Committee is confident that their efforts of professional advertising, an event in the off-season,

and the expertise of a professional event planner will mean that the costs will be recuperated by the response of visitors to the island who live within a day's drive. Her comments, in full, are attached to the historical record of the meeting.

5. Financial Statement – Treasurer Debbie Suggs

A. March Financial Statement

Treasurer Suggs explained that the financial statements being presented are for the nine (9) months ended March 31, 2012, which is three-quarters ($\frac{3}{4}$) of the fiscal year, so the target is seventy-five percent (75%). Property Tax revenues continue to lag behind collections in FY11; collections are eighty-seven percent (87%) of those of FY11 and only seventy percent (70%) of the FY12 budget. General Fund expenditures are at or below sixty-eight percent (68%) of budget except for General Government, which made a once-a-year debt service payment on the Public Safety Building. The General Fund cash balance is at thirty-one percent (31%) of annual General Fund expenditures.

Councilmember Loftus asked the Treasurer if she was concerned that Property Taxes revenue would not meet budget; Treasurer Suggs responded that this was the first year of reassessment and she was unsure how that would affect revenues. She voiced her opinion that, should Property Taxes revenue not meet budget, the difference would be an amount that could be overcome in other areas.

B. Tourism Schedules

Municipal Accommodations Fee collections continue to be strong; collections year-to-date exceed those of FY11 by eleven percent (11%).

State Accommodations Taxes and the Charleston County Accommodations Tax Pass-through have had no activity since the last meeting.

Hospitality Taxes had a good month with twenty-five (25) payers; FY12 collections are running three percent (3%) ahead of FY11.

Councilmember Bettelli asked whether all businesses were current; the Treasurer stated that one payer was getting current by adhering to a payment plan established by the City.

C. Projects Schedules

Beach Restoration

In March, payments were made to Coastal Science and Engineering for permitting for the shoal management project and to the City Attorney for legal services. The project has been completed, and four hundred thousand dollars (\$400,000) remains available for future projects.

Marina Dredging Project

Two (2) applications for payment were paid to Marcol Dredging and a payment for project oversight went to GEL engineering in March; the balance remaining on the contract is two hundred seventy-two thousand dollars (\$272,000).

Mayor Cronin recounted that the Morgan Creek Harbor Association approached the City about tagging onto the City's current dredging project, but they were unable to resolve several related issues.

Councilmember Stone asked for a clarification on the balance remaining in the project budget; Administrator Tucker stated that a better number for the remaining balance would be the balance in the contingency of thirty-three thousand eight hundred dollars (\$33,800). The Administrator informed the Committee that the Real Property Committee had discussed using the balance in the contingency to pay for the repairs to the stationary Tidal Wave dock; that discussion was held prior to the City's being made aware of the additional dredging performed by Marcol that is the next item on the agenda.

Consideration of request from Marcol Dredging for \$61,000 for 122 hours of dredging work performed in excess of contract.

Administrator Tucker explained that the City was informed after the Real Property meeting that the dredger has performed work greater than the contracted amount and, in addition to already approved Change Orders 1-4, is asking the City's consideration of that overage they dredged. On the upside, the City got the dredging, but the downside is an unanticipated expense for the project. The normal process would have been for the contractor to have made this request before the work was done, and, according to Jack Walker, the contractor was informed of the proper procedure to follow on multiple occasions.

As the Committee deliberated over its decision, the Administrator asked the members to remember that the contractor who did the work is the same dredger that did the work previously. By adding the four (4) change orders to the total bid package and this request, Marcol's contract total is five hundred fourteen thousand ten dollars (\$514,010), which is considerably lower than the next lowest bid one million of two hundred fifty-one thousand dollars (\$1,251,000). These factors lead one to want to work with this contractor in some way to maintain a positive working relationship for future endeavors. Administrator Tucker informed the Committee that this amount does not include any work that was done for the property owner next to the drainage easement.

Mayor Cronin turned to Mr. Walker, asking how this situation happened considering that Marcol is a reputable dredging contractor who has worked with the City in the past. Mr. Walker confirmed that he told Marcol on more than one occasion that they must ask for authorization prior to dredging, but they continued doing the work and logging the time spent without getting authorization to do it.

The Mayor remarked that the City was within its right to say "thank you" and walk away; Mr. Walker agreed, but noted that the Administrator made a good point relative to future projects. Mr. Walker said that Marcol knew that the City could take such a stand.

Councilmember Ward asked what explanation Marcol had given to Mr. Walker; Mr. Walker quoted Marcol as saying that they “wanted to do a good job for the City of Isle of Palms.”

Councilmember Stone commented that the City exerted a good deal of pressure on the dredger to get the desired depth and that the City should honor the request.

MOTION: Councilmember Stone moved to pay Marcol the additional amount of \$61,000; Councilmember Carroll seconded.

Mayor Cronin stated that he would have preferred to entertain a motion to negotiate with the contractor for a reasonable settlement.

Councilmembers Stone and Carroll withdrew their motion and second, respectively.

MOTION: Councilmember Stone moved to charge staff with negotiating with the contractor for a reasonable number between \$0 and \$61,000; Councilmember Carroll seconded.

Councilmember Ward expressed the opinion that the City should thank the contractor for a good job done at a reasonable price, i.e. “a contract is a contract.” He stated that he could not support any additional add-ons without prior approval.

Administrator Tucker informed the Committee that, along with their request, Marcol had provided the City with a log of the additional time, as well as copies of email dialogue when the City was asking how much time the change orders they did submit would take to accomplish. The Administrator said that statements like “this is difficult for us to estimate,” because until they are doing the work they were guessing at how long the dredging would take in a given area. Marcol is attributing this matter to “a change in conditions;” they encountered a change in conditions when they were on-site dredging, and, as Mr. Walker noted, they wanted to do a good job for the City, so they just kept on going. The logs support that they did the work.

Councilmember Loftus expressed dismay since they followed the proper steps for the other change orders, and both the Real Property Committee and the Ways and Means Committee discussed them at length. He did state that Marcol has done a good job for the City.

Councilmember Buckhannon wanted clarification on whether Marcol had dredged more material than anticipated or the time it took to accomplish the task was longer. Mr. Walker said it was a matter of hours; he explained that the dredge depth was twelve feet, but, in some areas, Marcol could only get to a depth of four and a half (4½) feet. He continued stating that a typical dredge cut removes two (2) feet of material, but the dredger was getting about four (4) inches per cut; therefore, six (6) swipes of the cutter were required to get the material normally gotten in one (1). For informational purposes only, Mr. Walker stated that Marcol started the job with a new cutter head on the dredge, an expense of approximately seventy thousand dollars (\$70,000), that was worn out by the time the job was finished because of material he was dredging.

VOTE: The motion PASSED UNANIMOUSLY.

6. Old Business – None

7. New Business

A. Consideration of Award of a Contract to CSDC Systems, Inc. in the amount of \$19,020.00 for budgeted Municipal Court Software Program

Administrator Tucker reported that the City had solicited bids from six (6) vendors and had received two (2) bids; the second bid was for nineteen thousand five hundred fifty dollars (\$19,550.00). The low bid is three thousand twenty dollars (\$3,020) more than budgeted. The Administrator informed the Committee that the software currently in use is old and no longer supported by the vendor; the software recommended is the same software used by Mount Pleasant and the City of Charleston.

MOTION: Councilmember Bettelli moved to award a contract to CSDC Systems, Inc. in the amount of \$19,020 for court software and to fund the excess evenly from the Hospitality and Capital Projects funds; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

B. Recommendation from the Public Works Committee to Award a Contract to Jones and Frank in the amount of \$35,678.39 for the budgeted purchase of a fuel management system from the Capital Projects Fund

MOTION: Mayor Cronin moved to award the contract to Jones and Frank as stated; Councilmember Buckhannon seconded.

Assistant Dziuban stated that the City had solicited bids from multiple vendors; she explained that the motion is different from the one (1) from the Public Works Committee due to a miscommunication between herself and the Public Works Director. This motion is for the same software, but the vendor and amount are different from the one cited at the Public Works Committee – the amount is lower than was quoted at the meeting. The amount budgeted for the software is thirty thousand dollars (\$30,000); staff recommends paying for the overage from the Drainage Contingency of twenty-five thousand dollars (\$25,000).

VOTE: The motion PASSED UNANIMOUSLY.

C. Recommendations from the Real Property Committee

1. Award of a contract to R.L. Morrison & Sons for repairs to the Tidal Wave stationary dock from the dredging budget in the amount of \$24,000 inclusive of surveying, incidental costs and applicable taxes

MOTION: Mayor Cronin moved to award the contract to R.L. Morrison & Sons as stated; Councilmember Loftus seconded.

Councilmember Bettelli wanted assurance that what is put in place with the repair can be re-used when the decking is rebuilt.

Administrator Tucker explained that the Morrison's work will entail putting pilings on the outside of the existing structure to shore it up for the season; whether the material can be reused when the new dock is designed and constructed next year is unknown because changes in the design to facilitate the operation could be made. This work will allow Tidal Wave to resume its business at their location and free up dock space that is normally rented.

Councilmember Ward asked whether this was a budgeted expense, and the Administrator stated that it was not budgeted, but twenty-five thousand dollars (\$25,000) was in the FY12 budget for the design and permitting of a new Tidal Wave Dock. When the need to replace the floating Tidal Wave dock became apparent, Council authorized the use of the money from the FY12 budget for that purpose. The Real Property Committee recommended using the Dredging Contingency fund to cover this expense; the contingency balance is thirty-three thousand eight hundred dollars (\$33,800).

VOTE: The motion PASSED UNANIMOUSLY.

2. Approval of Amendments to the leases for Marina Joint Ventures and Marina Outpost

Administrator Tucker explained that this will likely be the first of several amendments to these leases; Mr. Berrigan, the marina manager and lessee of the store, approached the Real Property Committee with multiple requests for each of the leases. Based on the time period that was required to amend multiple facets of another tenant's lease, the Administrator and Mr. Berrigan discussed which request was the most vital for him; they agreed that the less critical issues could be dealt with later. Mr. Berrigan expressed his view that relief on the additional rent section of the leases would be the most critical for him, and they began the exercise of negotiating that issue.

Those negotiations resulted in the amendments that are included in your meeting packets that state the following:

The tenant's gross profit derived from the lease premises per lease year in excess of five hundred thousand dollars (\$500,000) at two percent (2%).

The percentage, the threshold, and the definition of what the percentage is calculated upon have changed and are consistent for both leases. The result is a loss to the City, but the Administrator contends that the loss only exists if the City collects the money, which has been an issue with several marina tenants. Administrator Tucker noted that the City would lose if it has to stop to negotiate with new tenant, and that negotiation may, or may not, yield a better deal, because any interested party would look at what the prior tenants were able to do.

Councilmember Ward questioned that the requirement for an annual audit was being struck; Administrator Tucker explained that the City had not, historically, enforced that provision of the lease and that the requirement was not included in all of the City's leases. The Councilmember asked whether the City would consider requiring a copy of the annual tax returns. Treasurer Suggs noted that the City does get copies of tenants' financial statements and a provision giving the City the right to see the tax returns.

MOTION: Councilmember Buckhannon moved to approve the lease amendments for Marina Joint Ventures and Marina Outpost as presented; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

D. Recommendations from the Recreation Committee

- 1. Award of a sole source contract to Musco Lighting from the reserve for the ball-field in an amount not to exceed \$424,000 for lighting at the ball-fields, tennis and basketball courts.**

MOTION: Mayor Cronin moved to award the sole source contract to Musco Lighting as stated; Councilmember Bergwerf seconded.

Administrator Tucker was pleased to announce that, since the decision has been made not to pursue reconfiguring the ball-fields, lights at the ball-fields and tennis and basketball courts can be replaced with the funds available.

The Administrator reviewed the factors that lead to Musco being a sole source contract as they offer a twenty-five (25) year warranty, project a forty percent (40%) savings in electricity and have the best glare control available, which makes the lights turtle-friendly. Projects they have completed are the Governor's Park on Daniel Island, Bee's Landing in Charleston, new Stall High School, Riverview Park in North Augusta, a practice field at Wando High School and the Grand Park in Myrtle Beach. When Musco does a project in an area like the Isle of Palms, they include, at no additional charge, an enhanced corrosion package. Administrator Tucker conceded that the City could bid this, but the City would not see a financial benefit because, to get the things that Musco is offering, Musco would likely be the only bidder who could meet the specifications and the City would lose time.

Councilmember Buckhannon asked if the lights for the soccer fields would be included; Director Page replied that those lights were replaced in 1997 and were on the long-range plan.

The Director explained that Musco monitors the lights to ensure a constant level of illumination and to look for power surges. In addition, Musco manufactures the lights it installs.

Councilmember Stone inquired whether the lights would be replaced in FY12 or FY13; Administrator Tucker explained that, if authorized, the work will begin, but it may not be possible to complete in this budget year.

Councilmember Thomas wanted to know if Wando High School had bid the lighting and if they would share their bid results, because he was seeking validation that Musco was giving the City the best price. Mayor Cronin asked that the Director try to get the information from the school

VOTE: The motion PASSED UNANIMOUSLY.

- 2. Award of a contract to Charleston Fitness Equipment in the amount of \$4,600 as an unbudgeted expense from the Capital Projects Fund to purchase a treadmill.**

MOTION: Councilmember Bettelli moved to award the contract to Charleston Fitness Equipment as stated; Councilmember Buckhannon seconded.

Administrator Tucker reported that this purchase had been deferred in the FY12 budget.

VOTE: The motion PASSED UNANIMOUSLY.

E. Consideration of Boardwalk Donation on Ocean Boulevard

The Administrator noted that the beach access paths from Breach Inlet to 5th Avenue are not end-of-street accesses, but are three foot (3 ft.) easements conveyed by the Beach Company to the property owners on either side. A resident on Charleston is proposing to construct a wooden walkover along the easement between 108 and 110 Ocean Boulevard, and, when completed, to donate the walkover to the City. At present, the path meanders onto private property; the donor's family uses this path and believes a wooden path would be safer. The Public Works Committee thought it was a good idea for the City to have another walkover contingent upon the donor, Mr. Keach, doing the following:

- Secure permission from the two (2) adjacent property owners;
- Secure approval from the Beach Company; and
- Secure a permit from OCRM.

Councilmember Carroll asked if the City could choose the materials from which the walkover will be constructed since the City will be responsible for future maintenance. The Mayor replied that the City could make whatever stipulations it sees fit, but by increasing the cost, Mr. Keach may not proceed with his plan.

Councilmember Bergwerf stated that this path gets little traffic, but Councilmember Buckhannon opined that residents at that end of the island would use it.

Councilmember Loftus indicated that he was reluctant to obligate future Councils with the upkeep and replacement of the walkover; he, therefore, suggested that the Public Works Department straighten the present sand path to keep people off private property.

Mayor Cronin recalled that the City had done that in the past, and Administrator Tucker explained that issues arise with OCRM. They encourage the construction of walkovers because they believe walkovers protect the dunes, but whether they would allow the City to straighten a path is uncertain. The Administrator added that to go in and to begin to level the dunes plus cutting and killing vegetation creates such a community "buzz" that damage is being done to the dune system.

Mayor Cronin turned to Director Pitts for an estimate of the replacement cost for this path, and the Director thought a minimum of thirty thousand dollars (\$30,000).

Councilmember Loftus asked if the City would have final approval of the plans; Administrator Tucker said that could be a condition.

MOTION: Mayor Cronin move to accept the donation of a dune walkover between 108 and 110 Ocean conditional upon the agreement of the two property owners on either side, approval from the Beach Company, securing a permit from OCRM and the City's final approval of the path; Councilmember Bettelli seconded.

Councilmember Bergwerf questioned whether Mr. Keach has spoken to the adjacent property owners, and Administrator Tucker stated that there has been no indication from him one way or the other.

VOTE: The motion PASSED UNANIMOUSLY.

F. Status of Consultant for Way-finding Signs

The Administrator recalled from last month's Council meeting that she was charged with locating a consultant who assist the City assist the way-finding signs to direct visitors to the municipal parking lots, metered parking or the County Park; when the Administrator contacted SCDOT for information about way-finding signs, she was sent a thick manual. In talking with consultants, Administrator Tucker has indicated that, if this works well and the City forges a good relationship with a consulting firm that has transportation engineers and a full-service staff, the City might tag on other activities related to the City parking dilemmas.

In the past three (3) weeks, the Administrator has spoken with two (2) firms that were highly recommended by Charleston County, i.e. David & Floyd and Stantec. Both firms submitted quotes, David & Floyd at eleven thousand two hundred dollars (\$11,200) and Stantec at ninety-five hundred dollars (\$9,500). Administrator Tucker explained that the work product would include what the City should do, where the signs should go, securing a permit from SCDOT, and supervising a contractor for installing the signs. Both firms have excellent reputations in the field, and both have employees who live on the island and have, therefore, a strong familiarity with the situation on the island.

MOTION: Mayor Cronin moved to award a contract to Stantec for consulting services in the amount of \$9,500 with funding from the FY12 budget for engineering for beach access parking; Councilmember Bergwerf seconded.

Councilmember Buckhannon asked whether either company had given the Administrator a time frame for a finished product; Administrator Tucker replied that the timing would be dependent upon the time required for SCDOT to issue the encroachment permit.

VOTE: The motion PASSED UNANIMOUSLY.

G. Budget Workshop on FY2012-2013 Capital and Operating Budgets

Administrator Tucker was pleased to announce that staff was presenting a balanced budget for FY13 with no tax increase despite projecting that Property Taxes Revenue will be less than in FY12. Two (2) changes have been made in Revenues; they are on the transfer-in from Municipal Accommodations Fees of an offset of seventy-five percent (75%) of the expenses for temporary labor in the Public Works Department and a transfer-in to offset fifty percent (50%) of

the expense for vehicle fuel in the Public Works Department. In the recent past, the Municipal Accommodations Fees have contributed fifty percent (50%) toward temporary labor; the transfer in for fuel is new, but easily justified by the twice a week garbage collections required by visitors to island from March through September. Other changes to revenues are based on actual collections for the past twelve (12) months.

Councilmember Buckhannon recommended that the City should implement a policy used on Sullivan's Island where a Certificate of Occupancy can only be issued after the contractor submits a list of sub-contractors used with the amount paid to them to the Building Department; the Building Department would then check its records to ensure that each sub-contractor has a business license and that the estimated income on which the license was issued is correct. If any sub-contractor is found to be deficient, the Certificate of Occupancy will not be issued until all have paid appropriately.

The Mayor thought this was a good idea and suggested that the Building Department also might get the fee schedules from other local governments to ensure that the City's fee structure was comparable to others. Administrator Tucker indicated that the fees have not been adjusted in twelve (12) years. Because he holds business licenses in multiple jurisdictions in the area, Councilmember Buckhannon commented that the City's fees were in line with other areas, but he thought enforcement was the problem for the City.

Before proceeding to the individual departmental budgets, Administrator Tucker reviewed the changes that are universal to all; they are

- A merit pool of three percent (3%);
- A state-mandated increase to the retirement system;
- A state-mandated increase to the State Health Plan;
- A five percent (5%) increase to the City's property and liability insurance; and
- A fifty-four percent (54%) to the Charleston County Radio User fees effective January 2013.

General Fund Expenditures

Mayor and Council

The primary change to this budget is in the health insurance because the City knows how many Councilmembers are participating, which was only an estimate in FY12. This budget is reduced by eighteen percent (18%) for FY13.

General Government

An addition to this budget since the initial review is ten thousand dollars (\$10,000) for a holiday gathering. Other lines of the budget have been increased or decreased based on actual expenditures.

Councilmember Loftus asked whether the charges of thirty-five thousand dollars (\$35,000) for accepting credit cards was going to be passed along to the customer; Administrator Tucker referred him to 'Miscellaneous Revenues' for the offsetting collection of the fees.

Police Department

This budget is flat for FY13 with no significant increase or decrease.

Fire Department

The Administrator pointed out that "Vehicle Maintenance" has been reduced by five thousand dollars (\$5,000) for FY13, but a change in circumstances for the current vendor creates some concern that this budget will be exceeded. In addition, eight hundred dollars (\$800) has been added to the "Uniforms" line to cover the cost of re-numbering City vehicles in anticipation of the move to the Charleston County Consolidated Dispatch system.

The FY13 budget has an increase of two percent (2%) over FY12.

Public Works Department

An increase to the "Uniforms" line represents the every-other-year purchase of hoodies for full-time employees. Administrator Tucker also reassured the Committee that the staff is constantly refining the use of temporary labor in the department.

The FY13 Public Works budget is flat with no significant increases or decreases.

Recreation Department

Administrator Tucker commented that the short videos the City posts to the website have been received so well by the community that the Recreation Department has budgeted an additional one thousand dollars (\$1,000) for videography of its events for the website.

Councilmember Stone asked why the Recreation Department needed radios; the Administrator explained that the radios provide a means of communication between the building and supervisors on the grounds, at events and for emergencies. The Recreation Department has eight (8) radios.

As Chair of the Recreation Committee, Councilmember Bergwerf reported that fifteen thousand dollars (\$15,000) for an off-season fireworks display was removed from the budget at the meeting.

MOTION: Councilmember Bergwerf moved to add back to the FY13 budget \$15,000 for an off-season fireworks display; Councilmember Thomas seconded.

Administrator Tucker explained that a fireworks event was added to the ATAX budget as part of the Committee's efforts to draw people to the island in the off-season. Mayor Cronin stated that he was dubious of a one (1) time event that would run about twenty (20) minutes and be dependent on the weather, which would likely be chilly; he suggested a lights display.

AMENDMENT: Councilmember Bettelli amended the motion from a fireworks display to a promotional display; Councilmember Bergwerf seconded.

Councilmember Buckhannon said that the City would benefit more from something that would draw people to the island over and over, for example an ice rink for thirty (30) days, rather than a one (1) time event.

Councilmember Ward said that a review of the tourism fund balances would be in order before a vote is taken. He stated that the a total of two hundred eighty-four thousand dollars (\$284,000) is being taken from the State ATAX fund balance in FY13; from his perspective, all three (3) tourism funds have a deficit for FY13.

VOTE ON THE AMENDMENT: The amendment PASSED on a vote of 7 to 2 with Councilmembers Loftus and Ward casting the dissenting votes.

VOTE ON THE MOTION: The motion PASSED on a vote of 7 to 2 with Councilmembers Loftus and Ward casting the dissenting votes.

Councilmember Loftus asked if the line for "Electricity and Gas" took into account the projected savings from the new lights; Administrator Tucker responded that it does not because when the lights will be installed is not known and because the amount of any reduction is not known.

For FY13, the Recreation budget has a one percent (1%) increase.

Judicial and Legal

The overall decrease of four percent (4%) in this budget is attributed to have one (1) judge handling both the municipal and livability courts and to the fact that, as an attorney, Judge Molony will not require the additional training that was required of a magistrate.

Parking Meter Department

Included in this budget is fifteen hundred (1,500) additional hours for BSOs to step up enforcement; this budget is also flat for FY13.

Capital/Special Projects/Facility Maintenance/Debt Service Plan General Government

Councilmember Bergwerf stated that locations on the island who want WiFi have it; she referenced locations within Wild Dunes, the Palms and many rental houses; therefore, she did not believe this was a service the City should provide.

MOTION: Councilmember Bergwerf moved to strike the WiFi at \$140,000 from the FY13 General Government Capital budget; Councilmember Loftus seconded.

Mayor Cronin commented that Google's involvement in Goose Creek had enabled them to establish the WiFi system, but he was not comfortable with the security that system provided.

Councilmember Loftus stated that providing WiFi to citizens was not a function of government.

VOTE: The motion PASSED UNANIMOUSLY.

Administrator Tucker directed attention to Line 23, "Stationary holiday light displays" and exhibited a vendor catalogue containing many stationary, animated displays. She held up displays of a Santa on a fire truck, a Santa in a boat, a Santa on the beach, etc; the five or six (5-6) she had picked out total twenty-five thousand dollars (\$25,000). Although the displays would not rival the James Island County Park, they would be a draw to the island.

Mayor Cronin remarked that the light season goes from before Thanksgiving through New Years.

Funds for the land improvements to 1207 and 1301 Palm are a re-budget from FY12, because until SCE&G completes their plans, any work the City might do is on-hold.

Police Department

Highlights of the Police Department's capital budget are the purchase of six (6) patrol vehicles; this is a large number because, in 2007, the Department had added two (2) new positions and the Livability officer thereby adding three (3) vehicles to the normal rotation of three (3). For FY13, the purchase of software to integrate with the court system to automatically upload tickets is included.

When asked about the mileage on the BSO vehicle, Chief Buckhannon stated that the vehicle has over one hundred thousand (100,000) miles on it; Director Pitts added that the underside is extremely rusted.

An addition to the capital budget is the equipment to enable the automatic upload of patrol videos.

Consolidated Dispatch

Changes to this budget since the first review are that the ruggedized laptops have been purchased in FY12 eliminating eighteen thousand dollars (\$18,000) from the FY13 budget, and helmets have been renumbered in FY12 eliminating two thousand dollars (\$2,000).

Administrator Tucker referred the Committee members to the items below the line and described as "Considerations which may impact capital and operating budgets for FY13 and/or FY14." The issues listed in this section are very important for the City to attain its goal of a successful transition that is as painless as possible for the island's residents and visitors.

Mayor Cronin stated that, at some time in the near future, Council needs to make a field trip to the Consolidated Dispatch Center to get a feel for the operation.

Fire Department

Administrator Tucker reported that no changes have been made to this budget since the initial review.

Councilmember Loftus asked what was the year of the jet ski; the Administrator said it is from 2009, and this is the fourth season of use.

Public Works Department

The Administrator explained that the 42nd to 52nd Avenue drainage project had originally been evenly split between FY12 and FY13, but the level of work accomplished to-date indicates that the project should be a twenty-five/seventy-five (25%-75%) split between the two (2) fiscal years.

The reconfiguration of the ingress/egress to the Public Works site is a re-budget item.

Councilmember Buckhannon questioned that forty-four thousand dollars (\$44,000) is in the Public Works budget for the Public Works site and forty-two thousand dollars (\$42,000) is in the General Government budget for improvements to 1207 and 1301 Palm. He recalled from the Public Works meeting that the reconfiguration of the ingress/egress was “off the table” and that the landscape architect had been tasked with modifying her plan to encompass only the improvements to the lots at 1207 and 1301 Palm.

Administrator Tucker stated that the figures he quoted are re-budgets from the long budget staff had prepared and presented to the Public Works and Real Property Committees; she added that the actual amount for the project is unknown at this time. She explained that these numbers were a basis from which to work in the future.

Both Councilmembers Bergwerf and Stone reiterated that the amounts were placeholders for whatever plan Council decides to approve; Councilmember Stone remarked that all figures in Special Projects were estimates.

The Administrator stated that these lines would have more accurate explanations in the final budget.

Building Department

No changes have been made to this budget since the initial review.

Recreation Department

Director Page explained that the Department has two (2) treadmills; one has died and is being replaced immediately, and the second is surely dying.

Councilmember Buckhannon questioned that the HVAC was in need of replacing; Administrator Tucker said the HVAC is still working, but it has outlasted its useful life.

Front Beach Area, Including Public Restrooms, Parking Meters and Parking Lots

No changes have been made since the initial review; the Public Safety Committee is still considering the fate of the emergency call boxes.

Beach Restoration and Monitoring

The changes to this budget are a reduction in the monitoring requirements for the 2012 Shoal Management project that has allowed for a reduction to that line of eighty-five thousand dollars (\$85,000) to fifteen thousand dollars (\$15,000) and the addition of five thousand dollars (\$5,000) for the final monitoring report on the 2008 project.

Administrator Tucker directed attention to the six hundred thousand dollars (\$600,000) for a new restoration project in FY13 or FY14; the goal of including this in the budget is a signal to staff to begin gathering money. She reminded the Committee that the balance remaining from the 2012 Shoal Management Project is four hundred thousand dollars (\$400,000) that is a significant contribution toward the FY13 budgeted amount.

Isle of Palms Marina

The primary aspects of this budget are twenty-five thousand dollars (\$25,000) for the design and permitting of a new Tidal Wave dock and one hundred fifty thousand dollars (\$150,000) for the construction of same. The fifty thousand dollars (\$50,000) for the design and permitting of the remaining docks has come from the long-range capital plan.

Bonded Debt Service – Principal and Interest

There have been no changes to this budget since the initial review.

Councilmember Buckhannon commented about the hundreds of thousands of dollars from State Accommodations Tax money paid to the Charleston Visitors Bureau (CVB) each year and questioned what the CVB could do to assist the City with an off-season event. Mayor Cronin informed the Committee that the CVB has a new web page dedicated to the areas beaches. Following a request from the City Administrator, a link to the voting for best restored beach has been added to the CVB's weekly newsletter.

Councilmember Stone again referred to the two-year (2 yr.) rule for turning over receipts from state ATAX; Councilmember Ward then asked whether the City had ever had to forfeit receipts as a direct result of that regulation. Administrator Tucker said the City has not had to forfeit any money, but the City has had expenses questioned.

Mayor Cronin commented that the reason that State ATAX funds had a fund balance was not because past Committees or City Councils had started saving money, but because there were no projects brought to the City on which the money could be spent.

Administrator Tucker noted that the FY13 budget will come to City Council next week for first reading.

MOTION: Councilmember Stone moved to approve the FY13 budget as amended; Councilmember Stone seconded and the motion PASSED on a vote of 8 to 1 with Councilmember Ward casting the dissenting vote.

8. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, May 15, 2012

9. Adjourn

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 9:47 p.m.; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk