

WAYS and MEANS COMMITTEE

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

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, July 17, 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, Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Cronin; 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 in accordance with the Freedom of Information Act.

2. Approval of the Previous Meeting's Minutes

MOTION: Councilmember Bettelli moved to approve the minutes of the regular meeting of June 19, 2012 as submitted; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

Mayor Cronin announced that the state Supreme Court has ruled that items cannot be added to an agenda once it has been posted and printed, even under the category of *Miscellaneous Business*.

MOTION: Councilmember Loftus moved to reorder the *Agenda* to have the presentation on wayfinding signs (Old Business) before the financial statements; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Update on IOP Water and Sewer 20-Year Financial Plan

Attending the meeting with George Gross, General Manager, was Robert (Bob) Damron of Southwest Securities Group in Columbia, South Carolina, who is the financial adviser to the Water and Sewer Commission. Mayor Cronin noted that the Commission will be seeking financing on the new water treatment facility on Forest Trail; the related ordinances will be on the Council agenda for July 24th.

While Mr. Damron was speaking, Mr. Gross distributed a handout related to the Capital Funding Program. Mr. Damron explained that the Commission's existing bonds were re-financed in 2009 in an effort to save money, and the bonds will mature in 2017. Of importance is the fact that the bonds are paying off which means that there will be capacity for the Water Commission to continue to issue debt in order to make the ongoing capital improvements they need to make without having sizable rate increases. The Water Commission's capital plan extends twenty (20) years into the future and involves ongoing capital improvements, not expansions. There are three (3) points along the improvement scale when the Commission will not have enough money from their annual operations to meet the improvement needs; the first is in 2012, the second in 2015 and the third in 2020. The Water Commission asked the financial advisers to plan for being able to issue those bonds, structuring the debt service payments to be level debt service payment with issuances in 2015 and 2020 for the amount needed without going above what the Commission is currently estimating to pay.

Mr. Damron indicated that the 2012 bonds will likely issue at less than two percent (2%) and the Water Commission is a sound, well-managed utility as is the City. These bonds will cover the Forest Trail plant replacement beginning in 2013.

5. Old Business

Status of Wayfinding Sign Project

Administrator Tucker noted that hiring Stantec was a step City Council chose to take in an effort to get beach visitors to areas where parking is available and to help with traffic flow through the intersection at 14th Avenue and Palm Boulevard to prevent vehicles 'stacking' up on the Connector. After Councilmember Buckhannon brought pictures of wayfinding signs in Greenville, City staff contacted SCDOT and received a volume of regulations related to signage. In order to be in compliance with these regulations, Council decided that professional assistance was necessary. Tonight's presentation is the work product of the consulting firm, following an initial presentation to the Public Safety Committee; Administrator Tucker then introduced Jerry Regenbogen, Rick Rieff and Marie Langlois of Stantec Consulting.

From meetings with City staff and a ride-along with a police officer on Memorial Day weekend, the mission for the project Stantec defined as getting visitors quickly and seamlessly to available parking in the municipal lots and the Charleston County Park. Problems with existing signage were identified as sign clutter, putting more information in the driver's sight than he/she is capable of absorbing, and a lack of signage at the 14th Avenue/Palm Boulevard intersection directing visitors right onto Palm toward the alternate route to the municipal lots via J.C. Long Boulevard. The Stantec proposal includes removing some signs, relocating some signs and replacing other signs; Ms. Langlois displayed the signage that the Public Safety Committee had selected.

Mr. Regenbogen informed the Committee that SCDOT had indicated that they would only approve the stylized vehicular signage if the City committed to an island-wide plan for the signage. He also reported that SCDOT is not supportive of the pavement markings, but Stantec will do their best to convince SCDOT to allow pavement markings on the island, possibly under the guise of a demonstration project.

Ms. Langlois stated that the plan approved by the Public Safety Committee included three (3) of the large signs, twelve (12) smaller signs and three (3) pavement markings; all of the signs will be sandblasted wood with recessed lettering. The projected life span is ten (10) years. The cost for this package, including permitting through SCDOT and installation, will be eighteen thousand four hundred dollars (\$18,400).

Administrator Tucker noted that there are funds in the FY13 budget that could be implemented for this project, i.e. fifteen thousand dollars (\$15,000) to replace the "Welcome" sign as one drives on the island from the Connector and fifteen thousand dollars (\$15,000) each in the Municipal Accommodations and State ATAX fund for beach access parking.

MOTION: Councilmember Bettelli moved to approve an amount not to exceed \$20,000 for the wayfinding signs as described; Councilmember Buckhannon seconded.

Councilmember Ward asked when the signs would be installed and was told that the timeframe was totally dependent on how quickly SC DOT would approve the plan and issue the permit. The new signage would certainly be in place before the next beach season.

VOTE: The motion PASSED UNANIMOUSLY.

4. Financial Statement – Treasurer Suggs

A. Preliminary Year-end Financial Statement

Treasurer Suggs stressed that, although the financial information being discussed at this meeting was through June 30, 2012, the information was preliminary and unaudited. General Fund Revenues are ninety-nine percent (99%) collected, and, overall, the City's money funds are ninety-five percent (95%) collected. As she has foreshadowed in past meetings, the Property Tax Revenue budget will be met; since the reports were printed, the City has received an additional eighty-eight thousand dollars (\$88,000), putting this line item within eighteen thousand dollars (\$18,000) of budget with three (3) months of collections yet to be paid. Other revenues to be accounted for in FY12 are two (2) months of Local Option Sales Taxes, six (6) months of the Comcast franchise fee, a fourth quarter Aid to Subdivisions payment and the fourth quarter portion of State ATAX. Expenditures in the General Fund are at ninety-four percent (94%) of budget – the same as in FY11.

Mayor Cronin thanked the entire staff of every City department “for paying attention to their budgets during the course of the year; coming in at ninety-four percent (94%) of budget is an excellent achievement.”

Treasurer Suggs noted that several large projects were either not done or re-budgeted into FY13.

Cash on-hand is at thirty-seven percent (37%) of annual General Fund expenditures.

B. Tourism Schedules

Municipal Accommodations Taxes have one (1) month of collections yet to be added, but collections for the year continue to run eleven percent (11%) ahead of FY11.

Charleston County Pass-through and State ATAX have not changed since the last meeting.

Hospitality Taxes also have one (1) month to collect and is running eight percent (8) ahead of FY11.

C. Projects Status

From the Beach Restoration fund, Coastal Science and Engineering was paid for project oversight.

Phase II Drainage – 42nd to 52nd Avenue is a new schedule that starts with the residual balance from the 53rd to 57th Avenue project and adds the estimated City contribution for FY13 for a total beginning balance of one hundred sixty-nine thousand dollars (\$169,000). June expenditures were to Civil Site Environmental for engineering and surveying.

Councilmember Stone inquired about City requests for additional funding for the drainage project; Mayor Cronin stated that the City had sought funds from Charleston County, but had been turned down.

Councilmember Ward asked the Treasurer to calculate the City's current unrestricted fund balance that will be available for transfer to Capital Projects for future needs; Treasurer Suggs said that she would have that number for him in the August meeting.

6. New Business

A. Recommendation from the Public Safety Committee and the ATAX Committee to approve the purchase of rescue sleds and handheld radios in the amount of \$3,014.13

Administrator Tucker informed the Committee that this request was unanimously approved by both the ATAX Committee and the Public Safety Committee.

Chief Graham and Firefighter Mello came forward with a sample sled to explain how the sled is used. Chief Graham explained that this purchase was not included in the FY13 budget because personnel had not been able to test one after the budget was passed.

MOTION: Councilmember Bergwerf moved to approve the purchases as described; Councilmember Bettelli seconded.

Councilmember Carroll inquired about the projected life span of a sled; Firefighter Mello said that he did not have any hard facts, but he expected the sled to last for several years since they will be kept and stored out of the sun and weather.

VOTE: The motion PASSED UNANIMOUSLY.

B. Recommendation from the Recreation Committee to award a contract to Charleston Fitness in the amount of \$13,000 for the budgeted replacement of cardio equipment.

MOTION: Councilmember Bergwerf moved to award the contract to Charleston Fitness for cardio equipment in the amount of \$13,000; Councilmember Bettelli seconded.

Councilmember Loftus recalled that the City had negotiated out the delivery and installation of fitness equipment for the Public Safety Committee and voiced the opinion that staff should do the same in this instance.

Ways and Means Committee
July 17, 2012
Page 5 of 5

Administrator Tucker stated that staff would do all in their power to negotiate these items out of the purchase; the Administrator indicated that Charleston Fitness is the same vendor used for other equipment at the Recreation Center, but may not be the vendor used when the Public Safety Building was equipped. She also noted that many vendors void warranties when their personnel do not do the delivery and installation.

VOTE: The motion PASSED on a vote of 8 to 1 with Councilmember Loftus casting the dissenting vote.

7. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, August 21, 2012.

8. Adjourn

MOTION: Councilmember Loftus moved to adjourn the meeting at 6:50 p.m.; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk