

WAYS AND MEANS COMMITTEE

5:45 p.m., Tuesday, August 20, 2013

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, August 20, 2013 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, City Administrator Tucker, 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 had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Councilmember Loftus moved to approve the minutes of the regular meeting of July 16, 2013 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Financial Statement – Treasurer Debbie Suggs

A. Financial Statement

Being one month into the new fiscal year, there is little financial information on which to report; according to Treasurer Suggs, typically revenues received in July are actually attributable to June. For the General Fund, revenue collected equals two hundred eighty-two thousand dollars (\$282,000), and expenditures total five hundred forty-five thousand dollars (\$545,000) or six percent (6%) of the FY14 General Fund budget. Cash on-hand is approximately three million dollars (\$3,000,000) that represents one-third ($\frac{1}{3}$) of annual General Fund expenditures.

Councilmember Loftus asked whether the additional rents due from Morgan Creek Grill will be revenue for FY13 or FY14; Treasurer Suggs responded that, if received by the end of August, 2013, the revenue will be recognized for FY13.

B. Tourism Schedules

Municipal Accommodations Taxes ended FY13 five percent (5%) ahead of FY12.

Hospitality Taxes also had a strong July, but ended the year only one percent (1%) ahead of FY12; the Treasurer reported that no taxpayers are delinquent.

The second bi-annual payment of the Charleston County Accommodations Tax Pass-through was received, and collections were five percent (5%) higher than in FY12.

The final quarter of State Accommodations Taxes has not been received.

C. Project Schedules

There were no expenditures from the Phase II Drainage project in July.

For Beach Restoration Project, the City paid Coastal Science and Engineering for modifications to the shoal management project and reimbursables, and six hundred twenty-five thousand dollars (\$625,000) remain to be spent from that budget.

Mayor Cronin announced that Steven Traynum of Coastal Science and Engineering has been asked to attend next week's Council meeting to give a preliminary report on the most recent beach monitoring event.

On the wayfinding signs and beach management projects, payments were made to Turnkey Creative for the Court/Building Department sign and to Stantec for consulting and bid preparation for signage.

Administrator Tucker noted that Rick Day of Stantec will also attend next week's Council meeting for a status update on beach access parking.

Councilmember Loftus noted that he is hearing from a lot of residents about parking and why nothing has been done. Administrator Tucker cautioned the Committee to have reasonable expectations from Stantec; she reminded them that Stantec presented the City with a phased scope of work and the entire project has not been authorized.

Councilmember Stone questioned that the FY14 budget allocations for wayfinding signs/beach access parking were not reflected in the project schedule. Treasurer Suggs suggested that, if Council decides to move forward with another phase, a new sheet reflecting a new budget be initiated.

Administrator Tucker hypothesized that Mr. Day might state several options that appear to have a general consensus; therefore, is there an impetus to move forward with any of them? The Administrator indicated that Mr. Day will present the types of things that can be workable on SCDOT roads; she added that she did not think Stantec would work on an idea that does not have the consensus support of the policy-setting body and the community.

Councilmember Ward said that the people of the island want answers, and he wants something substantive to come from this next presentation.

In addition, Councilmember Ward asked who approved and designed the new wayfinding signs; Administrator Tucker answered that it was City Council. He stated that the goal is to get people out of the neighborhoods, but the signs do not direct people to public restrooms on Front Beach. He added that the condition of the public restrooms was another issue that Council was going to have to address very soon.

Administrator Tucker said she would talk with Stantec, but suggested that those signs may be in another phase that has not yet been funded.

Councilmember Buckhannon pointed out that one (1) of the reasons the City hired Stantec was to come up with solutions within SCDOT; Administrator Tucker stated that Stantec is in dialogue with SCDOT about the issues on the island.

Mayor Cronin directed attention to the sheet entitled Preliminary and Unaudited as of 8/20/2013. Treasurer Suggs reported that the audit began yesterday, so these numbers are very preliminary; still to be received are one (1) month of Local Option Sales Tax revenue and the quarterly ATAX payment. The projected surplus for FY13 is seven hundred thirty thousand

dollars (\$730,000). The Mayor noted that the City will have more information from the auditors next month, and Council will need to provide guidance on how that will be used – Capital Projects, Disaster Recovery Fund, a portion to remain in the General Fund, etc.

Councilmember Carroll recalled that last year the auditors had made reference to a uniform accounting system for the City; he asked if that was on the horizon. Treasurer Suggs explained that the purchase is on the long-term capital plan and may be scheduled for FY15. The Administrator commented that it is an expensive endeavor, but that it is a good fraud prevention initiative to have all of the City's systems talk to each other.

Councilmember Ward asked Treasurer Suggs to provide him with the cash balances as of July 1, 2012; she said that the information was easily obtained and left the meeting to get the data for him.

5. Old Business

1. Status of Sale of Surplus Equipment

Administrator Tucker reported that the City had accepted bids on Monday, August 19 for three (3) pieces of surplus property, i.e. two (2) Yamaha jet skis and one (1) 2000 Ford Explorer. On the jet skis, the City received six (6) bids and accepted the high bid of three thousand one hundred sixty-nine dollars (\$3,169) for each of the jet skis and a single bid of two thousand dollars (\$2,000) for the Explorer.

2. Update on Home Occupations

Administrator Tucker referenced an email she had sent to the Mayor and Council related to the home occupation business licenses and the discussion of whether or not the City should eliminate or reduce the amount charged for them. The Administrator stated that the City has issued seventy-eight (78) home occupation licenses which generate a total of sixteen thousand three hundred five dollars (\$16,305) in revenue; the majority of these licenses cost less than three hundred dollars (\$300). In researching other local municipalities, Director Kerr learned that the City is about in the middle with the rates charged and that the non-resident rate is one and a half (1½) times the resident rate, but most of the City's neighbors charge two (2) times the resident rate. The discussion should center on whether or not the City wants to make a change to the license classification for home occupations or adjust the non-resident rate to two (2) times the resident rate.

Councilmember Loftus asked if the calculations had been done to determine the increased revenue from increasing the contractor/non-resident rate, and the Administrator responded that the computation had not been done. He commented that he was surprised at the number on home occupations on the island; he expected the number to be much higher. He reiterated his opinion that to reduce the cost of a home occupation license was reasonable since these businesses do not require any additional services from the City.

Councilmember Stone countered that these in-home businesses do take staff time, legal time, and policing time that are costs to the City.

Councilmember Ward thought such an action would show favoritism; he noted that accountants who work out of an office on the island pay six percent (6%) while he only pays four percent (4%) since he works out of his home.

Councilmember Carroll stated that if a resident owned a duplex on the island, lived in half and rented the other; that resident should be paying taxes at four percent (4%) for the half he lives in, but six percent (6%) on the rented half. With that logic, an in-home business should pay six percent (6%) for the square footage occupied by the business. He urged caution in proceeding.

When Councilmember Bettelli asked if the City had received any complaints, Councilmember Loftus indicated that residents with in-home businesses had said to him that they feel they are being penalized by paying both property taxes on their home and a home occupation license.

Councilmember Carroll also questioned that the City wanted to promote home occupations when the goal is to have a residential community.

Councilmember Bettelli noted that more and more opportunities are available that allow people to work from home, and he sees the home occupation license as a way that the City is keeping up with a changing society.

The discussion ended with no action being taken.

6. New Business

Recommendations from the Public Safety Committee

1. Award of a contract to Motorola Solutions in the amount of \$11,020.17 for service and support for Dispatch Center, included in the FY14 budget.

MOTION: Mayor Cronin moved to award the contract to Motorola Solutions as stated above; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

2. Award of a contract to Vic Bailey Ford in the amount of \$52,186.00 for two 4-wheel drive police vehicles, at state contract pricing and included in the FY14 budget.

MOTION: Mayor Cronin moved to award the contract to Vic Bailey Ford as detailed above; Councilmember Bettelli seconded.

Councilmember Loftus asked about the vehicles being replaced. Chief Buckhannon reported that one (1) vehicle has one hundred twenty thousand nine hundred eighty-five (120,985) miles on it and the second vehicle has one hundred twenty-six thousand fifty (126,050) miles on it; both vehicles are 2008 models.

The Mayor remarked that he does not think mileage on a police vehicle is a meaningful number because the vehicles sit idling too much of the time; therefore the engine activity is not reflected in the mileage.

Councilmember Buckhannon added that these are the vehicles that patrol the beach.

VOTE: The motion PASSED UNANIMOUSLY.

Councilmember Buckhannon asked if Council was going to get information on the City's role in the Consolidated Dispatch Center. Mayor Cronin took the opportunity to inform the Committee that, at 10:00 a.m. on Wednesday, August 28th, a tour of the Consolidated 9-1-1 Center has been arranged for IOP Council; at that time, Council will see firsthand the operations there and learn the City's role.

Administrator Tucker added that this tour is for the Isle of Palms, and those who go can make the tour whatever it needs to be. The group will see both the Consolidated 9-1-1 Center and the Emergency Operations Center.

Responding to Councilmember Ward's earlier question, Treasurer Suggs reported that the cash balance at June 30, 2012 in the General Fund was three million one hundred forty-seven thousand dollars (\$3,147,000).

7. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, September 17, 2013

8. Executive Session – not needed

9. Adjourn

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:20 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk