

WAYS and MEANS COMMITTEE
5:45 p.m., Tuesday, October 21, 2014

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, October 21, 2014 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Ferencz, Harrington, Loftus and Ward, Mayor Cronin, Administrator Tucker, Assistant to the Administrator Dziuban, Clerk Copeland and Attorney Halversen; 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 September 23, 2014; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Financial Report – Treasurer Suggs**

A. Financial Statement

Treasurer Suggs noted that the City is twenty-five percent (25%) through the fiscal year at September 30, 2014; General Fund revenues are at twelve percent (12%) of budget and expenditures are at twenty-one (21%) of budget. Of particular interest is Local Option Sales Tax collections that are running thirty-two percent (32%) ahead of last year, and rental license revenue is close to budget. Business licenses are also running ahead of FY14; Treasurer Suggs reminded the Committee that the City has increased business license fees for off-island businesses. Cash on-hand is nearly one million dollars (\$1,000,000) greater than the same time last year; the treasurer noted that the transfers approved last month have not yet been made.

B. Tourism Schedules

Municipal Accommodations Tax collections are two percent (2%) ahead of last year on September collections of approximately one hundred fifty-two thousand dollars (\$152,000). As of this date, the City has not received funds from the Charleston County Accommodations Pass-through or State Accommodations Taxes. With collections in excess of seventy-nine thousand dollars (\$79,000), Hospitality Tax collections are thirteen percent (13%) higher than FY14 at this time.

Councilmember Ward commented that the so-called tourist season is disappearing, in favor of all seasons of the year.

Councilmember Carroll noted that Conde Nast readers have voted Charleston as the Number One United States City to Visit for the fourth year in a row.

Mayor Cronin reported that best islands of the world is a separate category, and the Isle of Palms is twenty-eighth on the list and tenth on the list for the United States.

C. Projects Status

Regarding the schedule for parking and wayfinding signs, there has been no change from last month. The 2014 Shoal Management schedule also has no financial change from last month, but the shaded areas at the top have been added to reflect the different potential components of the project.

At the Mayor's request, Administrator Tucker stated that actions to be considered later in the meeting will be to assign the contract to the company Baker merged with and approve a change order to move up to the permit limit of two hundred fifty thousand (250,000) cubic yards of sand. The Administrator explained that, since the last project, Baker has merged with another company and is now known as R.B. Baker Construction, a division of Reeves. Assuming those things happen, the City will begin the project on November 3, 2014, and the project work period will be between November 3, 2014 and March 1, 2015. There is always the possibility that Baker will complete the job earlier than that, but they have indicated they want the entire window due to limited light and limited periods of out-going and low tides. Since this project has two (2) harvest areas, there is the potential for making a run from as far away as 54th Avenue, near one (1) harvest area all the way to Dewees Inlet, to Ocean Club and the 18th hole. There will be a larger protected/work zone area when the trucks are running; like the previous project, the City will have security on the beach and personnel counting trucks when the trucks are moving. The City has drafted a letter to send to all the managers of vacation rental properties to alert them to the project and to suggest that, if they will have renters during that time frame, it would be advantageous to advise those renters of the project. The area of the beach that will be closed is the area from where the wet sand begins to the water. The Administrator said that the project will involve only one (1) work crew which means the City will have fewer truck-counters and security personnel on the beach, reducing the payroll expense; work will also be halted for the Thanksgiving weekend. The Administrator also reported on a meeting held earlier in the day that was called by the regulatory agencies about those things on the beach which must be removed, i.e. sand bags, wave dissipation devices and the "ghost" seawall; the removal will occur simultaneously with the sand placement. Good news to report is that the beach at Beechwood East has begun to accrete. She noted that the seawall will be demolished from the landside.

MOTION: Councilmember Bergwerf moved to re-order the AGENDA to discuss Old Business before the Executive Session; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

6. New Business

A. Discussion of 2015 South Carolina City County Managers Association Winter Meeting – Isle of Palms is the Host Community

Mayor Cronin announced that the South Carolina City County Managers Association will hold its winter meeting in Wild Dunes on a weekend in January 2015 with the Isle of Palms as its host. The City will help to support the activities while they are here; an oyster roast will be held and guests will be given an oyster knife as a memento. In addition, Administrator Tucker has

arranged a tour of the Boeing plant. He noted that elected officials are not invited to attend the planned activities.

Responding to Councilmember Loftus' question, Administrator Tucker stated that this event was going to demand a good deal of staff time in the coming months, and Mayor Cronin replied that five thousand dollars was included in the budget.

Councilmember Buckhannon asked when the City was notified that it was to be the host community. The Administrator received a phone call informing her that the association had negotiated a favorable contract with Wild Dunes in January, and that call was about a year ago. She commented that she had groaned because January is not the time of year to showcase the island and the City would be in the middle of a restoration project.

B. Consideration of Charleston County Making Repairs to Seahorse Court in the amount of \$4,634.86

Administrator Tucker reported that the Public Works Committee and staff have been working on sinkhole that exists on Seahorse Court; the City thought that it was related to a drainage line or a water and sewer line. When Charleston County performed the forensics, it was determined that problem was not caused by the failure of a line under the road.

The Administrator explained that, in the past when Charleston County made a repair on the island, the City only paid for materials and the County paid for labor and equipment. That program no longer exists; to get this work done, the City must pay for labor and materials.

While this is not a budgeted expense, staff proposes using a portion of the funds remaining in the FY15 Capital Projects budget from replacing the generator of approximately forty thousand dollars (\$40,000). The expenditure will be shown under Capital Projects Public Works Maintenance for which nothing was budgeted in FY15, but the bottom line for Capital Projects will remain positive.

The Administrator noted that residents in that area have been waiting a long time for this repair.

MOTION: Councilmember Loftus moved to authorize Charleston County to repair the sinkhole on Seahorse Court for \$4,634.86; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

The Mayor asked whether there was a way for the sinkhole to be stormwater-related. According to the Administrator, that was the initial approach staff had taken.

Councilmember Ferencz asked about the intergovernmental agreement the City has been waiting for. Administrator Tucker responded that the City continues to wait for the agreement, but added that the agreement is not necessary for this type of project; it will be needed for the City to access NPDES money.

Councilmember Carroll recalled from a listing of road ownership on the island that Seahorse, Ensign Court and Intracoastal Court were, at one time, a part of Wild Dunes.

Mayor Cronin explained that these streets were developed by Wild Dunes, but they have never been a part of the Wild Dunes structure which is counter to Councilmember Carroll and Ferencz' information.

The Mayor stated that these streets are not state or IOP roads, and they are not a part of the Wild Dunes Community Association. He indicated that determining true ownership would likely require a deed search.

Administrator Tucker added that Charleston County records show Seahorse as a public road.

The Mayor commented that this type of problem cannot be foreseen and the City does not have any kind of savings to pay for the repair.

Councilmember Ward stated that the City needs to be putting money aside for contingencies. Treasurer Suggs indicated that she will make a note for the budget file and try to work it into next year's budget.

Councilmember Buckhannon reminded the Committee that the City has ownership of Ocean Boulevard and no funds have been set aside for its repairs or re-surfacing; for that reason he supports the concept of establishing a contingency fund.

Mayor Cronin noted that Stantec thoroughly researched and produced a work product of all roads on the island relative to ownership, i.e. the state, the County, the City and other.

Administrator Tucker explained that, since Seahorse Court is a public road, it is included in the County Transportation Committee's re-surfacing program which, based on a variety of criteria, generates a inventory of roads in that system to be resurfaced each year. According to that program, Seahorse Court is due to be resurfaced in the next three to five (3-5) years.

Councilmember Ferencz asked whether the County had located any other potential sinkholes when they did the forensics on Seahorse Court; the Administrator replied that the County was not asked to look at any other spots on Seahorse Court. Responding to the Mayor's query, the Councilmember indicated that the man who came out to examine this sinkhole looked at the whole road and stated that this was not the only one (1) to be concerned about, but that it was the biggest one (1).

VOTE: The motion PASSED UNANIMOUSLY.

C. Contracts in Excess of \$10,000

- 1. Award of a Sole Source Contract to Carolina Waste in the Amount of \$30,000 for the Replacement of the Trash Compactor**

MOTION: Councilmember Ward moved to approve the contract award as detailed above; Councilmember Bettelli seconded.

The Administrator noted that the actual cost is slightly more thirty thousand dollars (\$30,000), but the contractor will dispose of the old compactor, and that will bring the net to thirty thousand dollars (\$30,000). Administrator Tucker stated that this is a high priority for the Public Works Committee because the City is getting complaints by the businesses nearby, particularly from the new business *The Dinghy*, about the smell. How much the new compactor will improve the smell is the unknown. Carolina Waste is the City's supplier; they also work on these devices. Although there are other vendors in the marketplace, this is the most expedient way to get this done to try to minimize the impact on the neighboring businesses.

Councilmember Ward asked when the City expected installation to take place; assuming the purchase is approved at City Council, a call will be made to the vendor Wednesday morning giving Carolina Waste the go-ahead, and it will take four (4) weeks for delivery.

VOTE: The motion PASSED UNANIMOUSLY.

2. Award of a Sole Source Contract to VC3 for Master Service Agreement

Assistant Dziuban explained that this is on the *Agenda* at the request of the vendor; VC3 is the vendor that the City uses for many of the web-based services, i.e. hosting the e-mail, hosting the website, and backup servers for disaster recovery purposes. According to the Assistant, the City recently contacted VC3 for annual scope of services backing up City servers, and they subsequently called the Assistant stating that they were trying to get all of their clients on-line with the Master Services Agreement. They do different little things for the City that come from different pots, and they are seeking to put all of the tasks they perform for the City into one (1) umbrella agreement. Attorney Halversen reviewed the document and a few changes were negotiated regarding indemnification, moved any court adjudication to the Charleston area as opposed to Columbia and established caps on certain tasks; in the end Attorney Halversen was comfortable with the City executing the document. Since the City already contracts with them to do the tasks noted above, there is no financial component to the agreement today; if the City were to request an additional service, a cost would be incurred at that time.

Responding to Councilmember Carroll's question, the Assistant stated that, up to this point, each work task was under its own service agreement; she added that any service added in the future would be governed by this master agreement.

Councilmember Loftus wanted to know whether the City would be free to sign up with another vendor if it were to come in with lower pricing, Assistant Dziuban noted that the agreement is not binding.

MOTION: Councilmember Bergwerf moved to approve the Master Service Agreement for VC3; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. Award of a Sole Source Contract with Chris Jones in an Amount not to exceed \$20,000 for Update of Local Comprehensive Beach Management Plan

Administrator Tucker noted that Mr. Jones wrote the last Beach Management Plan and shepherded it through the approval process; therefore he is familiar with all things related to the Isle of Palms. Although this task could likely have been done without a consultant, the Administrator voiced concern that it would be “put on the back burner;” a consultant is needed because the City has beach restoration and shoal management projects that need to be incorporated into the Plan. In addition, the City has a delicate issue in beach access parking; Jones will be communicating with Stantec, as well as Coastal Science and Engineering.

Mayor Cronin said that Mr. Jones has been working as a consultant for FEMA.

In checking the budget earlier today, the Administrator corrected the budgeted amount to twenty-five thousand dollars (\$25,000)

VOTE: The motion PASSED UNANIMOUSLY.

4. Recommendation from the Public Safety Committee to Mutually Terminate Zambelli’s Contract and Re-bid the Fireworks Contract

The Administrator explained that the City had a new shooter for the show in 2014, but the City expected this shooter to do the same tasks that the previous shooter has done for many years in the past. Although the shooter did complete the jobs like the previous shooter, he voiced his complaint to the Zambelli management, and Zambelli followed up with a letter to the City stating that the City must assume responsibility for getting things done or the two (2) entities should agree to mutually terminate the contract with no penalty or cost. Administrator Tucker assured the Committee that the RFP will detail exactly what is expected of the shooter and his crew and will require an on-site walk-through before submitting a bid.

The unanimous decision of the Public Safety Committee was to terminate the contract and issues and RFP for the fireworks shows.

Zambelli’s has given the City excellent service and good deals for many years, but the City cannot take on the jobs they are stipulating.

Councilmember Ferencz asked whether a new vendor would perform the tasks at no additional costs, and the Administrator replied that someone submitting a bid would include those costs in their bid since they will be detailed in the RFP. In addition the Administrator indicated that, to her knowledge, these tasks were not spelled out on the Zambelli contract.

Chief Graham stated that Zambelli had conceded that some of these things were included in the contract; knowing that the City would have a new shooter, Chief Graham explained that the IOP show was difficult and someone should come to the island, in advance, to ensure that everything would be handled. The Chief said that no details were left unexplained, and, at no time, did anyone indicate that “this is not our job.”

In their communication, Zambelli stated that the City did not provide any security to keep people off the pier; the Administrator reported that was not accurate. Administrator Tucker noted that there had been an unfortunate experience last summer – for the first time - where a disgruntled patron did not want to be cooperative in getting off the pier.

Among the tasks Zambelli's wants the City to do are move the equipment, provide lighting at the City's expense on the pier and assign more personnel to keep unauthorized people off the pier.

MOTION: Councilmember Loftus moved to mutually terminate the City's contract with Zambelli and to re-bid it; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

5. Recommendation for Assignment of Baker Infrastructure Group Contract to R.B. Baker Construction Company, a division of Reeves for the 2014 Shoal Management Project and Award a Change Order in the Amount of \$810,500

MOTION: Mayor Cronin moved to assign the contract with R.B. Baker Infrastructure Group to R.B. Baker Construction Company to R.B. Baker Construction Company, a division of Reeves for the 2014 Shoal Management Project; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

MOTION: Mayor Cronin moved to approve a change order to R. B. Baker Construction Company, a division of Reeves, in the amount of \$810,500; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Discussion of Fire Station 2 Flood Insurance

Administrator Tucker stated that the City is going through the same process that it did with the Recreation Center on flood insurance; the City has provided information and today was asked for more. The City will continue to wrestle, hoping that the resolution is the same as that of the Recreation Center; the renewal date is November 24, 2014. If the approval has not been received by the due date, staff will arrange for a policy with Lloyd's for a preliminary quote of six thousand four hundred ninety-one dollars (\$6,491). The expense to the City for the FEMA subsidized insurance is about thirty-five hundred dollars (\$3,500).

Councilmember Ward asked why the insurance was higher than for the Recreation Center, and the Administrator explained that there is significant equipment on the flood proofed level of the structures at the Fire Station and not at the Recreation Center which is basically a shell of a building.

5. Old Business

Parking Plan – Next Steps

Mayor Cronin stated that the Public Hearing on Parking had been enlightening to all of Council; citizens of the island were clear that they want some kind of accommodation. Attorney Halversen is present to walk the Committee through its options.

- 8. MOTION: Mayor Cronin moved to go into Executive Session at 6:47 p.m. to receive legal advice regarding potential claims related to the proposed beach access parking management plan; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

The Committee returned to regular session at 7:23 p.m., and the Mayor announced that the Committee had neither taken any action nor a vote in Executive Session.

The Committee agreed to hold a Special Meeting on parking at 5:30 p.m., Monday, November 3rd, and, if needed, another Special Meeting at 5:30 p.m. on Tuesday, November 11th.

The next regular meeting will be at 5:45 pm. on Tuesday, November 18th.

9. Adjourn

MOTION: Councilmember Loftus moved to adjourn the meeting at 7:400 p.m.; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk