

Ways and Means Committee
5:45 p.m., Tuesday, February 18, 2014

The Ways and Means Committee held its regular meeting at 5:45 p.m., Tuesday, February 18, 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, City Administrator Tucker, City Treasurer Suggs, 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 Carroll moved to approve the minutes of the regular meeting of January 21, 2014 as revised; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Jim Raih of 3904 Hartnett referenced item 6C on the *Agenda*, "Consideration of Increasing Parking Meter per Hour Rate" and stated his opinion that this action would drive more people out of the commercial district and into the neighborhoods. He suggested decreasing the parking meter rate to encourage people to park in the commercial district, thereby increasing traffic for the Front Beach businesses.

4. Financial Statement – Treasurer Suggs

A. Monthly Financial Statement

The financial statement under review for this meeting is through January 31, 2014, or seven (7) months of the City's fiscal year. For the General Fund, revenues collected are fifty percent (50%) of budget and expenditures are at fifty-three percent (53%) of budget; the target for revenue and expenditures through the seventh month of the fiscal year is fifty-eight percent (58%). The Treasurer stated that Local Option Sales Tax revenue is twenty-percent (20%) ahead for the same period in FY13; Business Licenses are behind FY13 collections because the due date has been changed to April 30th. General Fund cash on-hand is at two million dollars (\$2,000,000) and is relatively evenly divided between BB&T and the Local Government Investment Pool.

B. Tourism Schedules

Although collections for Municipal Accommodations Taxes were down for December compared with FY13, collections are running eight percent (8%) higher than last fiscal year.

State ATAX for the March quarter will likely be received in April.

After these reports were generated, the City received the first of two (2) payments from the Charleston County Accommodations Tax Pass-through, totaling one hundred ninety-seven

thousand four hundred dollars (\$197,400) which is ten percent (10%) higher than in FY13. Hospitality Taxes are eight percent (8%) greater in FY14 than in FY13; the City has one (1) delinquent taxpayer so the increase is actually higher.

Councilmember Loftus asked Treasurer Suggs if she knew how many new taxpayers would be adding to Hospitality Taxes once the Island Center is fully occupied; rumors are that there will be two or three (2-3) in addition to Harris Teeter.

C. Project Status

From the Beach Restoration Fund, expenses for the shoal management permit modification and bank service charges were paid in January. The City had no charges against the Phase II Drainage project in January. Two (2) invoices were paid to Stantec; one (1) was for Task 2 for the Beach Access Parking project and one (1) for wayfinding signs and parking management Phases III and IV. For the watersports dock replacement, two (2) invoices were paid to Ocean and Coastal Consultants for design and engineering.

5. Old Business

A. Report on Meeting with SCDOR

Mayor Cronin reported that the meeting was well-attended, including the Director Bill Blume. From this meeting, it was clear that the Department of Revenue is learning how its system failed and is making the corrections necessary relative to record keeping and the proper distribution of funds. As an example, the Mayor noted that a specific form which identifies the individual municipality within a county for the distribution of funds has not been mandatory in the past; that has now been changed to make the completion of that form a necessity each month. In the past, some businesses completed it, some did not and some may have completed it incorrectly. The City is considering holding a meeting with the property management companies for a representative from the Department of Revenue to help them with completing this form accurately and completely; currently only one (1) of two (2) forms is available online.

Councilmember Ward asked if there was any provision for an adjustment for past errors. The Mayor responded that, due to the system the City has in place, the Isle of Palms has fewer problems than other local governments.

Administrator Tucker commented that attendees had gotten good news relative to online travel companies; the Mayor remarked that he expects MASC to take a role with the online travel companies.

B. Status of Negotiations with Architectural Firms for Public Restrooms

Administrator Tucker recalled that the City had issued a request for qualifications (RFQ) for architectural services for the public restrooms. The RFQ was quite comprehensive and three (3) companies responded, i.e. Liollo Architecture, Glick/Boehm and Associates, and Clancy Wells Architects. The Administrator noted that, in the state of South Carolina, architectural firms are not allowed to quote prices, so staff made its recommendations based on experience the

firms have had with similar projects and past experience with the City. The Administrator commented that the City has experience working with architects associated with all three (3) firms and that Liollo had been the firm hired for the City Hall renovations. The staff recommendation was to begin negotiations with Liollo, and they have quoted eleven thousand seven hundred sixty-five dollars (\$11,765) for Phase One that will include a discussion of the existing facilities and the needs, an evaluation of multiple sites and a presentation to City Council for a site decision. In addition, staff is recommending that this work be paid from Municipal Accommodations Taxes assigned to the Professional Services line; since other tasks are assigned to that line, it will be over-budget for the fiscal year.

MOTION: Councilmember Bergwerf moved to hire Liollo Architects for \$11,764 to do Phase One of the public restrooms; Councilmember Bettelli seconded.

Referring to previous discussions, Councilmember Loftus asked if overtures had been made to Charleston County relative to assisting with the financing of this project. Administrator Tucker responded that County Councilmember Dickie Schweers had made a site visit to both the City's public restrooms and the County Park; he indicated that the County would be inclined to help. In addition, the Administrator said she had mentioned the City's plans to the County Administrator Kurt Taylor. Administrator Tucker expressed her opinion that the City should decide what it is going to do and have a plan before it approaches the County for financial assistance.

Councilmember Carroll recalled an earlier discussion about deed restrictions on the municipal parking lots and asked whether that issue had been investigated further. The Administrator said that she had reviewed the paperwork and thought that there may not be a need for a release, but she had opted not to incur any additional legal expense until the project is further along.

In addition, Councilmember Carroll asked if staff had given any consideration for the use of the existing site if the restrooms were to be moved across the street; Administrator Tucker said that a decision was up to City Council, but she recalled discussions that the space would be used for free-standing outdoor showers.

Amendment: Councilmember Ward moved to amend the motion to add that the City will seek full reimbursement from Charleston County for this project; Mayor Cronin seconded and the amendment PASSED UNANIMOUSLY.

VOTE ON AMENDED MOTION: The amended motion PASSED UNANIMOUSLY.

6. New Business

A. Recommendation from the Real Property Committee

Award of a Contract to Salmons Dredging in the amount of \$62,800 for the rehabilitation of the Watersports Dock with the aluminum gangway

MOTION: Councilmember Loftus moved to award the contract to Salmons Dredging as stated; Councilmember Bettelli seconded.

Councilmember Carroll asked if the City had received only one (1) bid. John Shaffer of Ocean and Coastal Consultants responded that two (2) potential bidders had attended the mandatory pre-bid conference, but only one (1) of them had submitted a bid because it had the necessary certifications and insurance for the project.

Councilmember Carroll voiced concerns over paying thirty-six thousand dollars (\$36,000) for a handrail; Mr. Shaffer explained that the handrail is approximately three hundred fifty (350) linear feet and requires a lot of bracing under the deck to stabilize it.

Councilmember Ferencz asked for clarification on the need for a new gangway, and Mr. Shaffer responded that the existing gangway is an aluminum gangway clad with timber; there is a trip hazard at both the top and the bottom of the gangway; in addition, it is a safety concern.

Councilmember Buckhannon stated that the new gangway can be re-purposed in the future.

Councilmember Ward asked where this project was in the budget, and Administrator Tucker directed him to Special Projects at the IOP Marina where three hundred twenty-nine thousand dollars (\$329,000) was budgeted for the replacement of the watersports dock.

Concluding the discussion, Councilmember Buckhannon stated that this was a recreational dock being used for a commercial purpose.

VOTE: The motion PASSED UNANIMOUSLY.

B. Recommendations from the Public Safety Committee

- 1. Consideration of hiring three (3) additional firefighters for Station 2 with an FY14 expense of approximately \$44,400**

MOTION: Councilmember Bettelli moved to hire three (3) additional firefighters for Station 2 as indicated above; Councilmember Bergwerf seconded.

As Chair of the Public Safety Committee, Councilmember Bettelli reported that the Public Safety Committee had received new information at its meeting. He noted that there are high-risk structures on the northern end of the island, and, with the urgency of getting to a fire or accident scene, the two (2) stations on the island needed to be able to respond in the same manner.

Administrator Tucker voiced the need to have new personnel hired and trained before the coming beach season. If hiring is delayed until the new fiscal year, new firefighters would not be on board until the season is over.

Mayor Cronin stated that the additional firefighters could be funded from Municipal Accommodations Taxes for the balance of FY14.

Councilmember Bettelli reminded the Committee that this had been the Fire Department's Number One priority when discussions began last fall.

Councilmember Ward asked if there was a possibility that the Fire Department was going to making additional personnel requests in the coming year. Administrator Tucker responded that work on FY15 operating budgets has not begun, but that she has not gotten the impression that more firefighters are needed beyond these three (3).

Councilmember Ward continued by stating that he wants the City to develop and approve a budget it can live by for the coming year. He added that he is not in favor of using the funds currently assigned to the Beach Restoration debt to be used for funding the additional firefighters; he suggests that the money should be set aside for future erosion problems on the beach.

Speaking as the Chair of the Personnel Committee, Councilmember Ferencz stated that the Personnel Committee will be looking at the personnel needs for each department and projecting those needs three to five (3-5) years into the future.

Councilmember Loftus suggested that the focus should be on emergency response; he indicated that he hears complaints from residents in delayed responses because of the often unnecessary, heavy equipment that arrives at the scene. He referenced the fact that the City hired nine (9) firefighters in 2002 and has worked with the configuration for the past twelve (12) years. He expressed the opinion that more study was needed before the City hired additional personnel.

Councilmember Carroll stated that the City will never meet NFPA standards of having fifteen (15) firefighters appear at the scene of a structure fire. In addition, he pointed to the areas of beach erosion at both ends of the island and that the City needed to always be preparing for ongoing beach issues.

Councilmember Bettelli remarked that the nine (9) firefighters had been hired in 2002 as the result of a devastating house fire in Wild Dunes. He stated that a need has been uncovered and that City Council would be remiss if it does not act.

Chief Graham stated that, if Station 2 had adequate personnel, the heavy equipment level responding to a scene would be reduced.

Councilmember Buckhannon stated that, when this issue first came before Council, the financial impact was significant, and, at that time, he supported including the three (3) additional firefighters as part of the FY15 budget. The amount of money needed for one (1) quarter is much more manageable in the FY14 budget.

VOTE: On a roll call vote, the motion PASSED UNANIMOUSLY.

- 2. Approval to purchase seven (7) traffic counters at the request of the Planning Commission**

Councilmember Bettelli stated that this request had come to the Public Safety Committee as a result of the Planning Commission's work in revising the Comprehensive Plan; they learned that the City did not have accurate data on which to make certain decisions. Over the past couple of years, there have been various problems influencing the reliability of the existing traffic counters, and to replace them in-kind would cost approximately eleven thousand dollars (\$11,000).

The counters being proposed would be embedded in the roadway and can be read from a range of thirty-five to forty feet (35-40 ft.) with a wireless reader. The plan is to put one (1) device in each ingress/egress lane at the Connector and two (2) at Breach Inlet; having the devices in each of the turn lanes coming onto the island will provide information on traffic patterns in addition to the traffic counts.

Should Council approve this purchase, Chief Buckhannon noted that the City will have to get an encroachment permit from SCDOT for their use and placement.

Administrator Tucker stated that she has calculated an expense no greater than fourteen thousand dollars (\$14,000) for the purchase and installation of the new counters, and staff is proposing to fund this out-of-budget expenditure from ATAX funds for non-capital tools and equipment. Since other items are assigned to this line in the FY14 budget, it will be over for the year.

Responding to Councilmember Ward's question, the Administrator indicated that eighty-three hundred dollars (\$8,300) was assigned. The Councilmember then asked that she and the Treasurer try to find another source of funding to avoid an over-budget situation.

(At approximately 7:15 p.m., Councilmember Harrington left the meeting, experiencing physical discomfort from problems with his leg.)

Councilmember Buckhannon repeated his questions about real-time counters, and Chief Buckhannon responded that real-time counters are about ten thousand dollars (\$10,000) each without the wireless component.

The Chief stated that the life expectancy of the new units is eight to ten years (8-10 yrs.).

According to Chief Buckhannon, the encroachment permit should take about sixty (60) days to get from SCDOT; therefore, the purchase would not occur until the permit was in-hand. The Chief does expect to have the new counters installed by early summer.

Administrator Tucker stated that she and the Treasurer had not been able to find another source of funds for the counters, but she did note that the additional funds received from the Charleston County Accommodations Tax Pass-through disbursement more than covered the cost.

MOTION: Councilmember Bergwerf moved to purchase the seven (7) traffic counters to be embedded in the roadway; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

C. Review of Revenue Projections for FY15 Budget and Consideration of Increasing Parking Meter per Hour Rate

Mayor Cronin stated that all Committees, except Public Works, discussed the revenue projections for FY15; the Mayor commented that these are the best estimates available at the time and will be revised as the budget process evolves.

Administrator Tucker reported that the new meters the City purchased from Mount Pleasant are in the process of being programmed and installed; if Council was inclined to increase the per hour rate, now is the time to do it.

The consensus of the Committee was not to make a change to meter fees.

At the request of Councilmember Carroll, Administrator Tucker explained that the Isle of Palms charges a lower non-resident rate for business licenses than surrounding municipalities; both Sullivan's Island and Mount Pleasant charge non-resident businesses two hundred percent (200%) of the resident rate while the Isle of Palms charges one hundred fifty percent (150%). If the City were to increase to match its neighbors, an additional one hundred sixty-three thousand dollars (\$163,000) of revenue would be generated. Councilmember Carroll indicated that increasing the franchise fees to five percent (5%) like our neighboring communities was a good way to increase revenue and that he does not interpret this to be a tax increase on residents.

Another source of additional revenue for the City would be to increase the franchise fees paid by SCE&G and Comcast from three percent (3%) to the maximum of five percent (5%). Both Mount Pleasant and Sullivan's Island charge the full five percent (5%); Folly Beach charges three percent (3%) for SCE&G, but five percent (5%) for Comcast. Additional revenue is as follows:

SCE&G @ 5%	\$245,059
Comcast @ 5%	62,852

Councilmember Ward commented that any increase in franchise fees would be passed along to the residents of the island.

The City could also raise the fee for the municipal parking lot to seven dollars (\$7.00) to match the County Park, but Council was generally opposed to any change to parking that could result in driving visitors from the commercial district into the neighborhoods.

Councilmember Loftus stated that the new meters will be programmed to accept credit/debit cards, but there is no way to pass the associated processing fees to the consumer, unlike other applications of credit/debit cards with City departments. The City has been told to expect higher than normal collections from the parking meters because people will tend to buy more than they will need, which is not the case with cash.

Treasurer Suggs has been told that the credit/debit card fees for the parking meters will be approximately twelve thousand dollars (\$12,000) per year, about six cents (\$.06) per dollar. If

the meter rate were to be increased to a dollar and a half (\$1.50), the City would recuperate the processing fee and make a small profit.

Councilmember Loftus asked if there would be an additional programming charge if City Council were to decide to increase the meter rates later into the year; Treasurer Suggs responded that there would be.

7. Miscellaneous Business

Next Meeting Date: 5:45 p.m., Tuesday, March 18, 2014

8. Executive Session – not needed

9. Adjourn

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 7:45 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk