

WAYS and MEANS COMMITTEE

5:45 p.m., Tuesday, May 17, 2016

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, May 17, 2016 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Harrington, Rice and Ward, Mayor Cronin, Administrator Tucker, Attorney Halversen, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business. Councilmember Kinghorn's absence was excused.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public were notified of the meeting in accordance with the Freedom of Information Act. Following a brief invocation and the Pledge of Allegiance, the Clerk called the roll.

2. Approval of Previous Meeting's Minutes

MOTION: Councilmember Bettelli moved to approve the minutes of the Budget Workshop held April 19, 2016 and the regular meeting of April 19, 2016 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Gerald Johnson, 3102 Cameron Boulevard, said that he had been a resident of the island for forty-five (45) years. He reported that, on May 12th, he received notice that he had thirty (30) days to move his boat out of his boat slip at the marina, and he said that the reason given was false. He said that he has not been able to reach Marina Manager Berrigan, and Mr. Berrigan has not returned his calls. He voiced his understanding of the terms of Mr. Berrigan's lease that the City has no jurisdiction over what he does and how he runs the marina; he interpreted that to mean there is no provision for anything for the benefit of the residents, whether they got boat slips. Mr. Johnson opined that the responsibility for upgrading or improving the marina should be the responsibility of the person leasing the marina, not the City's. He asked to see a copy the marina lease, and, if the City decides to go forward with the improvements at the marina, he wanted to know how he was going to get his money back. He stated that he has not paid four million dollars (\$4,000,000) in taxes, but there is still his portion of it and what benefit he was going to receive when it is done – if it goes through. If Council plans to spend four million dollars (\$4,000,000) at the marina, citizens must have more details, and Council must let the people of the island know how they are going to get it back. How is it going to benefit the residents? Mr. Johnson noted that he spent two (2) hours trying to get stickers for his cars; he stated that he is self-employed and has lost one hundred dollars (\$100) of his time. He acknowledged that there are a lot of projects going on, but he did not see that things were happening for the benefit of the residents; the focus appears to be on all of the people who come to the island. He said that he would come back to Council when he gets his issues at the marina resolved. He did not like "being kicked out of the marina" since the rent was doubled in January.

Patricia Ryan, 6 Forest Trail Court 1, reported that she went to get her residential sticker on Friday, and she had with her a driver's license and vehicle registration that were copied. She was then told to come back the next day for the sticker because the information had to be processed; she was also given the option to have the sticker mailed to her. She stated that she had gotten her hurricane sticker within four minutes.

Mayor Cronin introduced Frank Carson from Charleston County Public Works who was to speak to the Committee about a couple of projects proposed for the City.

Mr. Carson stated that these are two (2) projects the County has been working on for disaster recovery following the October 2015 flooding. The first project, which is under the FEMA Public Assistance Program, is on Ocean Boulevard between 4th Avenue and Breach Inlet. The flooding caused the drainage system to surcharge the water pressure that forced openings in the pavement through the pipe joints, and there has been a series of pavement failures that have been repaired several times. In addition, there is debris and sediment in the pipes. The project would be to open those pipes, replace all the cross lines, replace anything with joint separations, clean the pipes as needed and repave. With the assistance of the County, the repair estimate is two hundred fifty-three thousand seventy-seven dollars (\$253,077), and FEMA has verbally agreed to that amount for the project worksheet.

The second project is to restore the piped drainage system, which is filled with sediment and debris, to video the system before and after the work, and clean the pipes; if any damages were found that required the replacement of the pipe, the scope of the project could be revised to include that expense. The cost estimate for the scope of work is six hundred thirty thousand dollars (\$630,000), including a total of sixty-seven thousand (67,000) linear feet of piped drainage system.

Mr. Carson added that all of the work would be done by contractors, not with the County's workforce.

Based on the cost estimates, the twenty-five percent (25%) local share based on current estimates would be sixty-three thousand two hundred seventy dollars (\$63,270) for the Ocean Boulevard project and one hundred fifty-seven thousand five hundred seventy dollars (\$157,570) for the piped drainage restoration for a total of two hundred twenty thousand eight hundred forty dollars (\$220,840). The cost share funds must be in-hand if it is on a cash basis; it could also be available from stormwater funds if they are available from surplus funds or as a budgeted item in the following year's budget.

The Mayor asked if this was being done for other municipalities as well, and Mr. Carson answered in the affirmative.

Mayor Cronin then asked what the chances were that no damage would be found in the piped drainage system, and Mr. Carson responded that no problems have manifested like the pipe failure on Ocean Boulevard. This work must be done to restore the capacity of the pipes and prevent future flooding. The Mayor then repeated what Mr. Carson had said earlier that, if pipes have to be replaced, the scope of the project could be revised.

Mr. Carson explained that the County is a sub-applicant of the state, and currently the holdup is with the state.

Administrator Tucker noted that, once the project worksheet is completed, the process is one of reimbursement, which is why the City must have the money in-hand.

Councilmember Ward reported that this work was discussed at length at the Public Works Committee and the conclusion was that the City needs to save more money – put money aside in a contingency fund for projects like this. The works needs to be done, but then the City is not saving anything; Council is spending everything in the budget when the City needs a contingency fund.

Administrator Tucker remarked that staff had included the local share of these two (2) projects in the most recent version of the budget for the Committee's consideration; it is found on page 21 in Capital Projects, Capital Outlay for the Public Works Department.

Treasurer Suggs explained that the City has saved money in the Assigned for General Drainage and Roads as shown on page 2 of the fund balance schedules.

The Administrator commented that the County had advocated using stormwater fees they have collected on behalf of the City, but the City is counting on those funds for eligible NPDES costs for the improvements necessary at the Public Works site. The Administrator noted that she had expressed these concerns to the Committee. What funds remain after the NPDES project at Public Works can be applied to these projects; the Treasurer has estimated that amount to be sixty-six thousand five hundred dollars (\$66,500).

The Administrator confirmed with Mr. Carson that a letter from the City stating its commitment to pay the twenty-five percent (25%) local share for the two (2) projects was needed.

4. Financial Statements – Treasurer Suggs

A. Financial Statement

General Fund revenues through April are at seventy-nine percent (79%) of budget and overall expenditures are at eighty-one percent (81%) of budget; the target is eighty-three percent (83%). Since this statement was printed, the City has received an additional forty-seven thousand dollars (\$47,000) in Property Tax collections taking the total to four million one hundred forty-five thousand dollars (\$4,145,000) which is very close to budget. There is a timing difference between FY15 and FY16 on Local Options Sales Tax and from State revenues which explains why the year-over-year comparison looks better than it should. The cash balance in the General Fund remains at thirty percent (30%) of annual General Fund expenditures, and, as stated in prior meetings, total cash is two million dollars (\$2,000,000) ahead of FY15 due to the Beach Preservation Fee Fund and the tourism funds. Looking at the expenditures by department, the Treasurer explained that General Government is over budget as a result of paying the accrued interest on the retiring loan when the City closed on the re-financing of the bond for Fire Station 2; as the Committee has been made aware, the Fire Department is over budget due to vehicle maintenance expenses required after the October flooding. In addition, the Treasurer reported that the Workers' Compensation and property and liability insurance premiums for the year were paid for all departments, but the City anticipates a rebate at the end of the year.

Councilmember Ward commented that business licenses were due by April 28th, and he asked if there was any accrual to add to the revenue stated on the schedule.

Treasurer Suggs replied that some Business License revenue comes in every month, but she did not think there were any substantial license fees unpaid.

B. Tourism Schedules

Although Municipal Accommodations fee collections were slightly less than the same month in FY15, collections year-to-date exceed FY15 by five percent (5%). The third quarter's State Accommodations Tax was greater than any year since 2010 and is three point two percent (3.2%) greater than FY15 year-to-date. No change occurred in the Charleston County Accommodations Tax Pass-through fund. Hospitality Tax collections were strong for April; collections are running six percent (6%) greater than FY15 year-to-date. Approximately five hundred ninety thousand dollars (\$590,000) has been collected year-to-date in Beach Preservation Fee funds.

C. Projects Worksheets

There were no changes to the Managed Beach Parking worksheet.

With the assistance of Captain Usry, Treasurer Suggs was able to get the revenue from the kiosks in the municipal parking lots; for April the revenue was thirteen thousand nine hundred thirty-nine dollars (\$13,939), and, through May 16th, revenue totaled thirty-two thousand seven hundred ninety-two dollars (\$32,792). Total revenue to-date from the parking lot kiosks is fifty-one thousand one hundred seventy-one dollars (\$51,171); by the end of May, the City will have paid for its initial investment.

5. Old Business

Discussion of FY17 Budget in anticipation of Second Reading at the City Council Meeting of May 24th

Mayor Cronin stated that the first page shows the changes to the budget from Draft 2 to Draft 3 to be considered at this meeting.

Administrator Tucker reminded the Committee that, prior to the Council meeting next week, the Public Hearing for the budget will be held at 5:45 p.m., and Second Reading of the budget will follow at the Council meeting.

A key factor to this budget is that it does not call for a property tax increase.

A review of the changes for this version of the budget include the following:

- Adding back the two (2) police officers and the payroll/human resource person;
- Per a notice from PEBA, increasing the employee retirement contributions by 0.5%;
- Increasing parking revenue by \$129,000 based on kiosks going to \$1.50 on Front Beach;
- Adding a third party assessment of the City's drainage should the City decide to no longer partner with Charleston County;
- Adding bid assistance and construction oversight by Thomas and Hutton for NPDES improvements at the Public Works site at \$10,500;

- Adding a third party assessment of City buildings and to provide a timeline for future maintenance and repairs;
- Adding back the design and engineering of new public restrooms;
- Re-budgeting the holiday tree for Front Beach;
- Adding in the 25% local share of the 2 FEMA projects proposed by the County;
- Adding \$10,000 to Fire Department Vehicle Maintenance;
- Adding in 2 surveillance cameras for the municipal parking lots;
- Adding in costs for securing the IOP Water and Sewer property proposed for marina employee parking; and
- Adding in the salary for taking the Treasurer from three quarters time to full time.

Councilmember Ward commented that this version of the budget adds five hundred sixty-five thousand four hundred sixty-one dollars (\$565,461) in expenses to the previous version.

Councilmember Ward asked if there was any way that the Water and Sewer Commission would pay for the improvements since it is their property.

According to the Administrator, the discussions with the Water and Sewer Commission have progressed to the point that they are looking at the layout of the site to determine where they could accommodate the City with parking. Staff has learned that they will require the area to be fenced and secured so that anyone using the parking lot would not have access to the rest of the property and that it would require some type of secure entrance because the people who park there would be coming and going late at night. The City has included the expense of lighting as well as a security camera; they would also require another entrance so that the entrance to the site for the Water and Sewer personnel would not be fettered by cars parking in the parking lot.

Based on information from Councilmembers, the Administrator was under the impression that many residents were complaining about the overflow parking on Waterway that, if the City could work out this arrangement with the Water and Sewer Commission, there would be a sense of urgency to get it done.

Mayor Cronin stated that he would like to see a way to charge the marina businesses for parking for their employees; he compared it to Front Beach businesses who buy annual passes for the parking lot for their employees.

When Councilmember Ferencz learned that this was not a part of the marina project, she asked whether the Real Property Committee was bringing this before the Committee as a City project or a marina project.

Treasurer Suggs responded that the expenses would be funded from the Hospitality Tax Fund and not the marina fund.

Councilmember Bergwerf explained that moving employee parking to this location would free up space in the marina for people to park and possibly solve the overflow parking on Waterway, and the lights would be for safety. She stated that it should be done as soon as possible.

MOTION: Councilmember Ward moved to re-order the Agenda to go into Executive Session at this time; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

MOTION: Councilmember Bettelli moved to go into Executive Session at 6:15 p.m. to discuss negotiations incident to proposed contractual arrangements concerning the public restrooms at Front Beach; Mayor Cronin seconded and the motion PASSED UNANIMOUSLY.

The Committee returned to regular session at 6:55 p.m. with the Mayor announcing that the Committee had not taken any action or taken a vote while in Executive Session.

The Mayor reported that the Chair of County Council had offered proposals related to the future of the public restrooms and the involvement of Charleston County and Parks and Recreation Commission (PRC).

MOTION: Mayor Cronin moved to continue the dialogue with PRC along the lines of their establishing a lease with the City for the property for the purposes of building a new restroom facility and, if possible, any other extension thereto of the use of the facility that PRC may wish to entertain; Councilmember Ward seconded.

The Mayor reminded the Committee that one hundred eight or nine thousand dollars (\$108,000-109,000) is in the FY17 budget for the design and engineering; therefore, the Mayor proposed that staff proceed with soliciting and acquiring and working with PRC on a lease basis. If PRC wants to do something extra, the City would need to stop to assess. Mayor Cronin noted that the potential is far beyond the building, and the goal is to have it built in the next eighteen (18) months.

Councilmember Ferencz asked whether the Front Beach walkover would become part of the negotiations as well.

The Administrator replied that she sees it as one (1) big project and noted that the City does have the OCRM permit in-hand for that walkover.

Councilmember Ward said that this was a very important deal in that the City secured financing from off the island through other governmental entities covering two-thirds ($\frac{2}{3}$) of the cost to build a new public restroom.

VOTE: The motion PASSED UNANIMOUSLY.

Returning to the discussion of overflow parking at the marina, Councilmember Carroll asked whether the City was going to designate Waterway Boulevard as "resident only parking if marina employee parking is to be on the Water and Sewer Commission property."

Mayor Cronin responded that the question was one (1) that would be addressed in the after-season analysis of the overall managed beach parking plan.

Councilmember Carroll was wanting a way to ensure that Waterway Boulevard would become "resident only parking" because he heard so many complaints over the weekend about the parking there.

Councilmember Rice stated that the gist of acquiring the use of the Water and Sewer Commission property was how the City could do something immediately to help to relieve the parking of Waterway because many of the people parking on Waterway now are employees of the marina businesses. The Committee knows that this is not the solution, but it could be a temporary "fix." Any real changes to the parking at the marina may be five (5) years or more into the future.

The Mayor reiterated that the staff of the Water and Sewer Commission were working now to determine where the parking should be and how many cars could park in the space safely.

Councilmember Ferencz stated that she thought that the Committee was not being realistic in its expectations of what the new employee parking area would do; she contends that, once the marina parking is full, people will still park on Waterway.

In her opinion, the immediate action needed is signage; the signs could be installed in a day and eliminate parking on Waterway.

Mayor Cronin replied that to do what she is suggesting would require a change to the ordinance; in addition, the City has not yet gotten approval from the Water and Sewer Commission to use their space.

Councilmember Ferencz stated that, in the ordinance that the City's Attorney wrote, it states that the marina parking lot is where the marina employees and guests are to park; there are maps created by a consultant that contradict that. The Councilmember repeated that the ordinance "specifically" states that marina parking is in the marina parking lot, and the City is choosing to take one over the other.

Attorney Halversen stated that the ordinance incorporates the signage maps and that ordinance says there is no regulation for the marina parking lot.

According to Councilmember Ferencz, the exceptions to the rule are the marina parking lot, the Recreation Center parking area and Breach Inlet.

Attorney Halversen commented that the designated parking areas are outlined in the signage plan, and she reiterated that any change will require an amendment to the ordinance.

Councilmember Ward remarked that "a lot of people were very upset after this first weekend," and he did not think the residents could wait until September to make changes. Among the things that had residents upset were the parking plan, golf cart registration, boats and the man on Palm Boulevard who had tinted glass and received a ticket because the decal was not visible, but it was worked out. Councilmember Ward said that "people are up in arms about the whole plan." He opined that "there are immediate problems [Council] could fix." He added that people are upset about having to pay for a daily parking pass; they feel it is just another tax and the residents are being burdened when the day-trippers are not.

Mayor Cronin reminded him that the City parking plan mirrored the parking plan of the City of Charleston in trying to avoid law suits because the City is using state right-of-way and inhibiting residents of the State of South Carolina from using the state rights-of-way.

Councilmember Ward then asked if the residents of Charleston have to use them every day, and the answer was that they do.

The Mayor stated that this subject has been discussed for a year and half, and the Councilmember responded that "now it is a problem."

Councilmember Ward ended his comments by saying that Council needs to admit it has a problem and do something about it before September.

The Mayor stated that any change to the ordinance would take two (2) months before it would go into effect, making it the end of July before any change could be effected.

Councilmember Ward said that Council needs to have a work session on the problems with the parking plan.

Councilmember Carroll asked why golf carts had to have resident stickers since only IOP golf carts are on the island; he indicated that some people have made multiple trips to the Public Safety Building to get a decal that is backwards on a golf cart anyway.

The primary problem with golf carts, that the Mayor was aware of, was that many island golf cart owners did not know that golf carts must be registered with the state every five (5) years since the state law was changed in 2012.

Councilmember Bettelli said that many week-long visitors to the island bring their own golf carts onto the island.

Councilmember Bergwerf noted that all were valid points, but they were being discussed in the wrong meeting. She suggested that each Councilmember compile a list of changes he/she thinks need to be made to the parking ordinance.

Administrator Tucker asked Council to keep in mind that the plan has been enforced for one (1) day and there were bound to be mistakes on the first day. She was not surprised that people who had waited until the last minute to credential their vehicles were running into hiccups.

Agreeing that it had only been one (1) day, Councilmember Ferencz noted that it was not a Memorial Day or July 4th; in her opinion, when those days come, it is going to be massive hysteria.

Getting back on track to the budget, Councilmember Ferencz asked that the need for two (2) additional police officers be repeated; she recalled that they were removed from the budget at the workshop, and then the Public Safety Committee added them back.

Councilmember Ferencz asked if they would be on patrol and was told that they would be on patrol when needed. She then stated that their primary task would be to assist the Livability

Officer and with investigations, but the City plans to buy patrol cars and all of the other accoutrements associated with the job since they will be sworn officers.

Councilmember Bettelli said that an investigator could not investigate from behind a desk.

Chief Buckhannon stated that the island has been experiencing added pressure as a result of the growth of the greater Charleston area and from more events taking place on the island that require oversight by the Police Department. The last time the Department added personnel was in 2007 with the addition of the Livability Officer. Using 2007 as a base year, calls have increased by thirty-two percent (32%) and investigations have increased by eighty percent (80%). As more investigations are assigned to the two (2) officers who handle them, additional manpower has been needed; often that manpower is the Chief or one (1) of the Captains. The Chief stated that it has become increasingly difficult to devote the resources they need to have without pulling a patrol officer off the road. The same situation is occurring in livability cases; the call volume and work assignments are increasing exponentially based on the same factors. When livability citations are issued, letters are sent to the property owner and the property management companies, and the officer is preparing for the trial case. The Department needs to add police officers to assist with investigations and livability cases; these would be sworn officers who could assist on the road as needed, but they would also do much of the follow-up on cases. The Chief added that the Police Department was also putting a burden on City Hall with personnel issues; he commented that a great deal of time was spent researching the Americans with Disabilities Act and other federal laws in relation to a pregnant officer. Chief Buckhannon said that the Department is floundering in getting some things followed up on that it should be doing on a routine basis.

Councilmember Carroll asked about the payroll/human resources office that will mean reconfiguring the offices.

Mayor Cronin commented that the position was recommended by the Personnel Committee.

Councilmember Harrington who is the Chair of the Personnel Committee stated that department managers were asked what they needed to get their jobs done, and he thought Chief Buckhannon had made a very compelling case for the additional officers and the same is true of the office position. He said that he feels that it is Council's responsibility to help staff do their jobs for the citizens of the island. He added that he thought the positions were data-driven and that sound reasoning was provided for the need for the positions.

Councilmember Ferencz agreed that Council wants to provide the help that the City's employees need, but, in this case, the work can be outsourced as it is outsourced by other communities. She reported that ADP provides payroll services to hundreds of clients and stays abreast of all government regulations. The Councilmember stated that staff repeatedly has said that the City has eighty-eight (88) employees, but one hundred fifty (150) W-2s were distributed in January. The City has part-time employees and instructors at the Recreation Center, plus the seasonal BSOs in the Police Department; according to Councilmember Ferencz, ADP is a master at dealing with all types of circumstances. Although initially the ADP process might take some time, but, once that is established, it is not difficult at all. Treasurer Suggs gave a rough estimate of seventeen thousand dollars (\$17,000) per year for the City to transfer payroll to ADP which is

much less than the sixty-two thousand dollars (\$62,000) in fixed costs that would be added to the budget to fill the position of payroll/human resources. She wanted staff to talk with ADP before hiring someone.

MOTION: Councilmember Ferencz moved to remove the fixed costs associated with the payroll/human resources position from the FY17 budget and to add \$17,000 to outsource the payroll to ADP; Councilmember Carroll seconded, and the motion FAILED on a vote of 3 to 5 with nay votes from Councilmembers Bergwerf, Bettelli, Harrington, Rice and Mayor Cronin.

Councilmember Ward said that he had objections to many items in the FY17 budget, but he expected all votes to be three to five (3-5) so there was no reason to extend the meeting. He reiterated that, from the first version of the budget to this third version, five hundred sixty-five thousand dollars (\$565,000) in expense has been added; the budget continues to increase year after year, but it never goes down.

Councilmember Ferencz stated that, in the City's budget process, no efforts to absorb or try not to spend money have been made; it is spend the money as long as it can be justified. In government, it appears that the City always asks for more than the year before. She noted that the Fire Department has asked for nine hundred thousand dollars (\$900,000) in capital expenditures for the past three (3) years, and they continue to ask for the same amount, and Council gives it to them without questioning whether it is genuinely needed. She stated that, whatever the revenue is, is the budget; the expenses will fit into that and, if more money is needed, take it from tourism funds. She remarked that the revenue could be reduced as simply as reducing the millage – reduce what is taken from the residents.

After Councilmember Carroll commented that the City had a nine hundred thousand dollar (\$900,000) positive net result in FY15 after raising the millage, the Mayor countered that it had been a reassessment year and property tax revenues did not increase; for many residents, their property taxes went down.

Councilmember Carroll indicated that he saved money in the operation of his business, and he was grateful he had when Hurricane Hugo came through. The City was without tourism funds for five (5) years; if another hurricane were to hit, the police, fire, public works and recreation personnel would still be needed, but the City would have vastly reduced revenue with which to pay them.

The balance of Council disagreed and referred to the large sums of money put aside every year for the purchase of capital assets.

Councilmember Ward noted that Council did not increase the Disaster Recovery Fund this year.

Councilmember Bergwerf stated that all of the department managers start the budget process knowing that they must be as frugal as possible. She said that she did not believe that department managers think that they have "x" amount of money as their budget and that they must spend it all; the Councilmember remarked that she "cannot be that negative about [City] employees." When Chief Buckhannon comes to Council with the statistics on how much the Police

Department's work load has increased, and no new personnel have been added in nine (9) years, Council's responsibility is public safety, and she asked whether Council was doing all that it could. Councilmember Bergwerf stated that Chief Buckhannon is a professional and he has told Council that he needs additional personnel. She then added that her property taxes had went down as a result of the reassessment.

Mayor Cronin reported that sixty-five percent (65%) of the properties on the island saw a decrease in their property taxes and that IOP residents pay only two-thirds ($\frac{2}{3}$) of the property taxes residents in Mount Pleasant pay for the same property.

Councilmember Carroll stated that his goal was to save IOP's taxpayers money.

Councilmember Rice made the point that government cannot be compared to private business; the City exists to provide services and IOP does a great job at that. She stated that all of the properties on the island are not occupied for the full twelve (12) months of the year so that the Isle of Palms has different issues from most municipalities. She acknowledged that the City depends on its tourism funds because that is what the island is for four (4) months of the year. She also acknowledged that some weekends the "traffic is crazy" and parking is a problem, but it is because of the island's draw to people who do not live here. She added that these are "really good problems to have; it is an excellent problem" that people want to come here, to vacation here, or move here. It is up to Council "to make the puzzle work," and it is doing an excellent job. The staff "does an amazing job" and does not ask for much. She agreed that the City needs a human resources person because the City is growing; with fifty (50) people moving into the County every day who want to come to the beach, it trickles down.

Councilmember Ferencz talked about reviewing the increases to the City's budgets over the last three (3) years and asked what more has the City given to its residents. She stated that residents are asking what they are getting out of all the money the City is spending.

Councilmember Bergwerf stated that part of the budget increase was the parking plan that was unanimously approved and that has costs tied to it.

The Mayor noted that over two hundred thousand dollars (\$200,000) was in the budget for stormwater improvements.

Councilmember Bettelli recalled that, in the past, the City did not have ready cash and was using lease/purchase options to buy capital assets; today the City has less debt because, several years ago, the City began to put money aside every year anticipating the cost to replace capital assets. The money set aside is also a part of the budget. He asked what citizens were asking for that they did not get.

Councilmember Ferencz responded that she has heard a lot of complaints about the condition of Front Beach and complaints about the marina that Council is addressing, and she recognized that the residents do not see the infrastructure improvements. For the residents, the marina is a major issue. She stated that, as Council considers the budget, it should be cognizant of how definitively members can explain to the citizens that this budget is helping them in these ways.

Councilmember Bergwerf reiterated that the marina was not purchased using taxpayer money; it has paid for itself basically, and any improvements would be funded the same way.

Mayor Cronin repeated that the citizens have not paid for the marina, and Councilmember Ferencz said that they do not understand that. She indicated that citizens think that, if tourism money was not spent on the marina, it could have paid for something else.

MOTION: Mayor Cronin moved to approve Draft 3 of the FY17 budget; Councilmember Rice seconded and the motion PASSED on a vote of 5 to 3 with Councilmembers Carroll, Ferencz and Ward opposing.

6. News Business

A. Recommendations from the Real Property Committee

1. Approval to add \$15,000 to the contract with ATM for additional meetings and marina concepts

Administrator Tucker stated that an estimate from ATM for one (1) additional scenario for five thousand dollars (\$5,000) was included in meeting packets, and she thought that approving an “up to” amount” because she was unsure how many versions would be necessary before the City had a finished product. Such an action would eliminate delays of having to get Council approval each time a new version was needed.

Councilmember Rice reported that she spoke with several marina tenants after Concept C was presented to Council and the Planning Commission at the workshop. The tenants had some valid concerns about it, i.e. safety and congestion on Morgan Creek with all of the commercial businesses relocated there. She then spoke with Kirby Marshall at ATM about the tenants’ concerns, and he agreed they probably should come up with another scenario. If the City is going to carry through with the marina redevelopment, it needs the plan to be perfect. The Real Property Committee plans to hold a meeting with the tenants and Mr. Marshall and Scott Parker.

Mayor Cronin recalled that, at the workshop, there had been concerns about the traffic flow as depicted in Scenario C.

Councilmember Ferencz indicated that, in deliberations about tweaking the plan, the Real Property Committee should consider how many different commercial entities can operate from the site. She opined that the City has some opportunities to limit the number of commercial businesses there and to make it safer.

Councilmember Ferencz also asked why the dry stack was still on the City’s Ten-year Capital Plan.

MOTION: Mayor Cronin moved to approve up to \$15,000 to ATM for additional meetings and marina concepts; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

2. **Approval to increase fees at the marina to \$20 per day to launch and \$10 per day to park for off-island guests on Friday through Sunday between May 15 and September 15**

MOTION: Mayor Cronin moved to approve the increased fees for launch and parking for off-island guests as detailed above; Councilmember Bergwerf seconded.

The Mayor noted that the fees currently are fifteen dollars (\$15) to launch and five dollars (\$5) for parking for non-residents; the resident fees remain five dollars (\$5) to launch and park. The Mayor said that he had issues with the yearly launch decal because, once it is sold, the marina manager has an obligation to ensure that the boat is launched timely and there is available parking no matter then they arrive.

Councilmember Rice noted that the parking fee is included in the launch fee.

Councilmember Ward asked why residents must pay to launch their boat if they take their trailer home and return to the marina via bicycle or golf cart.

Mayor Cronin said that he plans to talk with Mr. Berrigan, Marina Manager, about the economics of the marina over the coming months.

Councilmember Ferencz asked why the Marina Manager could not number the launch tickets and, when he has launched as many boats as there are parking spaces, he does not allow anyone else to launch until someone else leaves. And the answer was the boaters with annual passes and the residents who want to launch their boats and take their trailers home while boating.

Vote: The motion PASSED UNANIMOUSLY.

3. **Award of a contract to Ledford's Termite and Pest Control in the amount of \$12,900 to protect all City buildings, except Public Works, from Formosan termites**

MOTION: Councilmember Bettelli moved to award a contract to Ledford's Termite and Pest Control in the amount of \$12,900 to protect City buildings from Formosan termites; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

B. Recommendation from the Public Works Committee to approve a change order to Thomas and Hutton in an amount up to \$10,500 for bid and construction oversight

MOTION: Mayor Cronin moved to approve a change order to Thomas and Hutton as stated above; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.

C. Discussion of a budget for 2016 Fireworks

The Mayor stated that Councilmember Carroll had asked about food for the City's employees and volunteers for July 4th fireworks, he noted that Council decided several years ago to remove that element from the fireworks budget.

Councilmember Carroll indicated that he was happy to support the City's employees on July 4th through his money and his time; he simply wanted other Councilmembers to know that they were welcomed to assist as they saw fit.

Mayor Cronin said that he thought the City should buy the food for this group of people, and the Council agreed and asked how much was needed.

Administrator Tucker stated that, in the past, there had been approximately two thousand dollars (\$2,000) for incidentals like that.

MOTION: Councilmember Carroll moved to approve \$2,500 for food and incidentals for employees and volunteers at the July 4th fireworks display; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Administrator Tucker reminded the Committee that the Disaster Expo will be at Fire Station 1 tomorrow beginning at 5:00 p.m.

Next Meeting Date: 5:45 p.m., Tuesday, June 21, 2016

8. Executive Session – held earlier in the meeting

9. Adjournment

MOTION: Councilmember Ward moved to adjourn the meeting at 8:03 p.m.; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk