

WAYS and MEANS COMMITTEE
5:00 p.m., Tuesday, October 18, 2016

The regular meeting of the Ways and Means Committee was held at 5:00 p.m., Tuesday, October 18, 2016 in Council Chambers, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Treasurer Suggs, Assistant Administrator Fragoso and City Clerk Copeland; a quorum was present to conduct business. Councilmember Ferencz was absent.

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 Rice moved to approve the minutes of the regular meeting of September 20, 2016 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. **Financial Statements**

A. Financial Statement through September 30, 2016

The financial statement under review was for the period ending September 30, 2016, which completed the first quarter of the City's fiscal year. Treasurer Suggs reported that General Fund revenue was thirteen percent (13%) of budget and General Fund expenditures were at twenty-three percent (23%) of budget with the target for the first quarter of the year being twenty-five percent (25%). Business Licenses, Rental Licenses and Building Permits revenues have started the year strong compared to FY16; parking revenue is significantly over FY16. Total cash was approximately two million dollars (\$2,000,000) ahead of last year. General Fund cash was down about four hundred thousand dollars (\$400,000) below FY16, and the primary cause for the difference is a budgeted transfer of three hundred thousand dollars (\$300,000) from Municipal ATAX to the General Fund in FY16 that was not done in FY17. Another factor in the difference is that September 2016 had three (3) payrolls not two (2).

Councilmember Rice referred to page 5 and asked about a transfer from the Beach Preservation Fee Fund to the Beach Maintenance Fund; Treasurer Suggs explained that a bill had been paid from the Beach Maintenance Fund that should have come from the Beach Preservation Fee Fund. Explaining the difference between the two (2) funds, the Treasurer said that the Beach Maintenance Fund was the first beach fund established for the City and was a savings fund for beach work supported by transfers-in from tourism funds. The Beach Preservation Fee Fund is the newest beach fund and was created for the new revenue stream through accommodations taxes.

B. Tourism Funds

The only tourism fund with September activity was Hospitality Tax revenue; the schedule shows a six percent (6%) increase over FY16.

C. Project Worksheets

The only new activity on the Beach Restoration Worksheet was a payment to Coastal Science and Engineering. For the Parking Lot Worksheet, the revenue for September was twenty-one thousand five hundred five dollars (\$21,505), and expenditures were for the off-season covers for the kiosks and for trash removal and pickup. Profit for the season was two hundred eight thousand nine hundred thirty-five dollars (\$208,935) or approximately thirty-two thousand dollars (\$32,000) more than the summer of 2015.

5. Old Business

Discussion of Amendment to the Purchasing Ordinance

Administrator Tucker reported that a staff level review is underway through meetings with department managers and the City Attorney; if any changes or recommendations come from those meetings, they will be presented in the next version of the ordinance.

6. New Business

A. Reporting on emergency contracts awarded

1. **Coastal Science and Engineering (CSE)** - \$30,000 for post-Matthew beach survey
2. **Ashridge/Lake Moultrie** – not to exceed \$83,000 to construct replacement dunes to protect properties in Beachwood East, 4,5,and 6 Dunecrest Lane, Seascape, Grand Pavilion and Ocean Club building 1, plus estimated change order of \$30,000 for 100-500 Ocean Boulevard
3. **Discussion of estimated expenses resulting from Hurricane Matthew**

Administrator Tucker reported that an emergency contract was awarded to CSE consistent with the procurement ordinance that allows the City to do so. In order to be eligible for beach renourishment funds, not the work happening now, the beach must be an engineered beach and have scientific documentation of the volume of loss which translates to a FEMA project worksheet to apply for reimbursement. The survey work began on Monday, October 16th and will provide data on the volume of sand lost between Joaquin and Matthew.

Mayor Cronin commented that the FEMA worksheet for Joaquin was approximately one million dollars (\$1,000,000) of which seventy-five percent (75%) is reimbursable from FEMA and the balance is expected to be paid by the state.

The Administrator stated that the CSE contract also includes supervision of the emergency work occurring on the beach now at low tide; they assisted with getting pricing from contractors and are monitoring and guiding the work being done.

Councilmember Carroll asked whether the Beach Preservation Fee funds should pay for this work; the Administrator said that currently expenses are being paid from the Disaster Recovery Fund.

On the emergency contract awarded to Ashridge/Lake Moultrie, the Administrator clarified that the change order amount needed to go from thirty thousand dollars (\$30,000) to forty-four thousand dollars (\$44,000). The Administrator stated that the island was in the middle of six (6) days of king tides, which explains the need for the City to start pushing sand up as quickly as it has, and it is the reason that OCRM was so good about issuing emergency orders literally while the storm was still happening. The goal was to push sand up to the threatened areas to create protective dunes so that the king tides could not take even more sand away. After tonight, the contractor will have earned the thirty thousand dollars (\$30,000) in the initial change order, but the work needs to continue through the period of king tides. The goal of the additional fourteen thousand dollars (\$14,000) is that, with every high tide and loss of sand, the contractor must go back to push the sand up again in areas that continue to lose sand; the total expense for the emergency contract to Ashridge/Lake Moultrie, as proposed, should not exceed one hundred twenty-seven thousand dollars (\$127,000). If the work becomes FEMA reimbursable, the twenty-five percent (25%) local match would be thirty-one thousand seven hundred fifty dollars (\$31,750). The work is following the procedures outlined by FEMA as Emergency Berm Repair.

Mayor Cronin explained that, assuming the survey shows sand loss attributable to Matthew, it will only be after President Obama declares Charleston County to be damage categories eligible that the City can apply for reimbursement. In order to become eligible, the total of the County's damage assessments must reach a certain threshold, and it apparently has not yet been achieved.

Another emergency order that was issued right after the storm was for docks, marinas, etc.; the Administrator will reach out to ATM to award a contract to them to assess the Breach Inlet boat ramp and the City facilities. No one has declared any glaring issues at the marina, but that does not mean that there are none.

Councilmember Rice asked about the status of the leaks reported at the Public Safety Building.

Administrator Tucker stated that, every time there is a problem, it is reported to the City's attorneys handling the case; a proposed mediation in this case has been set for Tuesday, November 3rd.

B. Recommendation from the Public Safety Committee to approve an expense of \$2,400 per year for electricity and cable to make the traffic camera at Rifle Range Road and the Connector accessible through the SCDOT 511 system

MOTION: Councilmember Carroll moved to pay the operational cost of \$2,400 per year for the camera at Rifle Range Road and the IOP Connector accessible through the SCDOT 511 system; Councilmember Bergwerf seconded.

When Councilmember Ward asked Mount Pleasant's position on the cameras, he was told that they have refused to pay the operational costs; currently the picture is only available on Mount Pleasant's closed system. The County has said from the beginning that it would purchase and install the cameras but nothing more.

Mayor Cronin reported that Sullivan's Island has already agreed to pay the operating costs for the camera in Mount Pleasant that overlooks the Sullivan's Island bridge. He also noted that many people found the 511 system to be very helpful before and after Matthew.

VOTE: The motion PASSED UNANIMOUSLY.

C. Recommendation from Public Works Committee to award a contract to Jones & Frank in the amount of \$10,499.52 for an electronic leak detection system for the underground storage tank at the Public Safety Building

MOTION: Mayor Cronin moved to award a contract to Jones & Frank as detailed above; Councilmember Ward seconded.

Administrator Tucker recalled that, since the system was installed, Director Pitts has been asking DHEC representatives why the City did not have to run the same type of test on the underground storage tank at the Public Safety Building (PSB) that are run on the other tanks owned by the City and was told that the PSB tank is a closed system, if it were to leak it would be contained in the closed system. When DHEC inspected, they cited the City for not having an external leak detection device; they fined the City one thousand dollars (\$1,000) and required the City to sign a consent order saying that the problem would get it fixed. The City got a leak detection device installed on the outside, but the only way to make the device work is to "widget" with the system and to turn off the automatic refill function; staff did not think that method was safe. Another option open to the City is to purchase and install the automatic leak detection system; this is an expensive option and probably should have been done when the building was constructed. The recommendation from the Public Works Committee was to accept Jones & Frank's proposal for the device and installation. Administrator Tucker reported that DHEC has inspected the tank at the PSB multiple times in the years since construction and has found no problem with the system. The Administrator assured the Committee that all of this information has been provided to the attorney representing the City in the PSB litigation.

VOTE: The motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Next meeting date: 5:00 p.m., Tuesday, November 15, 2016

Other important meetings for November are:

Tuesday, November 1 st at 3:00 p.m.	Working session for the parking plan;
Tuesday, November 15 th at 5:00 p.m.	Ways and Means Committee
Tuesday, November 15 th at 6:00 p.m.	City Council
Wednesday, November 16 th at noon	Visioning Workshop

8. Executive Session – not necessary

9. Adjournment

MOTION: Mayor Cronin moved to adjourn the meeting at 5:45 p.m.; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk