

WAYS and Means Committee

5:45 p.m., Tuesday, June 21, 2016

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, June 21, 2016 in Council Chambers of City Hall, 12017 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, City Administrator Tucker, City Treasurer Suggs, Assistant Administrator Fragoso and 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 Bettelli moved to approve the minutes of the regular meeting of May 17, 2016 as submitted; Councilmember Rice Seconded and the motion PASSED UNANIMOUSLY.

3. Citizen's Comments

Joe Petro, owner of Coconut Joe's, encouraged the Committee to approve the actions recommended by the Real Property Committee for fee changes at the municipal parking lots that he believes will help the Front Beach businesses.

Elizabeth Campsen of 32 Intracoastal Court addressed the Committee about the overflow marina parking on 41st Avenue and Waterway Boulevard, suggesting that "No Trailer Parking" signs be installed along the street in accordance with the City code that prohibits trailer parking on any street right-of-way; she reiterated her belief that the marina operations and parking for their customers should be contained exclusively to the marina property. Her third concern was about the City's applying for a Boating Infrastructure Grant to defray some of the costs for the marina redevelopment. The text of her comments is attached to the historical record of the meeting.

Jon Regan Walters of 30th Avenue spoke to the Committee about Front Beach parking and his opinion that Isle of Palms' and Wild Dunes' residents should be allowed to park on Front Beach at any time for free, because residential livability should be the overriding factor. He stated that, since the island residents had paid for the marina, it should be an island amenity exclusively for the residents. He said that the Isle of Palms has become like Folly Beach and would soon be like Myrtle Beach.

4. Financial Statements – Treasurer Suggs

A. May Financial Statement

Treasurer Suggs initiated her report by reminding the Committee not be to alarmed that General Fund Revenue was at eighty-three percent (83%) of budget through eleven (11) months of the year because the City receives large "chunks" of money after the fiscal year's end that are accrued into the total. Revenues through eleven (11) months of FY16 are one hundred four percent (104%) of revenue for the same period last year. Property Tax Revenue is at one hundred percent of budget with two (2) months' collections yet to be received; there collections will reflect automobile taxes and delinquent property taxes. Three (3) months of Local Option Sales Taxes

will be added into the FY16 total receipts; Business Licenses and Rental Licenses revenues are right on budget. Other Licenses revenue is impacted by several, one-time, end-of-year payments, such as the SCE&G franchise fee which should be six hundred ninety-five thousand dollars (\$695,000) and Insurance License fees which should be approximately five hundred fifty thousand dollars (\$550,000). Building permits are at ninety-five percent (95%) of budget; the Treasurer said that staff expected building permits to be lower this year because last year's revenue included a big project in Wild Dunes. Research into this year's activity show fewer licenses being issued at lower dollars. The eleven (11) month target for General Fund expenditures was ninety-two percent (92%), and only two (2) departments are over-budget, i.e. Mayor and Council and Judicial. Overall the City was at eighty-nine percent (89%) of annual General Fund expenditures. The City's cash position, in general, continues to be strong with two million dollars (\$2,000,000) more in the bank than at the same time last year that includes eighty-five thousand dollars (\$85,000) more in the General Fund.

Councilmember Kinghorn asked the Treasurer what the projected surplus was for this fiscal year, and she responded that she has not actually attempted to calculate the number, but she thought four hundred thousand dollars (\$400,000) was a reasonable and conservative estimate.

B. Tourism Schedules

The second semi-annual payment from the Charleston County Accommodations Fee Pass Through has not yet been received. Hospitality Taxes appear to be significantly higher than the previous month and the same month the year before, but both numbers were significantly impacted by a delinquent taxpayer who caught up in May. In Municipal Accommodations Fees, the May 2016 number is down from the same month in 2015, and the year-to-date 2015 number is skewed because, in April, the City received the one-time adjustment for the on-line travel companies. The City usually receives the June quarter's State Accommodations taxes before August 1st. Total Beach Preservation Fees collected year-to-date are seven hundred ten thousand dollars (\$710,000).

C. Projects Worksheets

For the Managed Beach Parking worksheet, expenditures for May were for one (1) small pickup truck, supplies for the BSOs and mailings, and the payroll and fringe for the additional BSOs hired for the program. At June 1, the balance remaining in the budget was ten thousand two hundred dollars (\$10,200).

The worksheet on the Front Beach parking lots shows revenues through June 16th to be in excess of one hundred sixteen thousand dollars (\$116,000) and expenses to-date to be sixty-seven thousand six hundred fifteen dollars (\$67,615), resulting in a profit to-date of forty-eight thousand five hundred dollars (\$48,500). Total revenue for the summer of 2015 was one hundred seventy-seven thousand one hundred dollars (\$177,100).

The final schedule records the revenues collected from the parking kiosks; at the Front Beach, revenues total one hundred fifty-six thousand dollars (\$156,000), and the parking lot kiosks have generated one hundred four thousand four hundred dollars (\$104,400).

Responding to Councilmember Ferencz, Treasurer Suggs stated that Court Fines revenue is recognized through the court system and can be seen on page 9 of the May financial statement discussed earlier.

5. Old Business

A. Discussion of Filing Fees for Elections

The Mayor noted that the filing fees for surrounding local governments and other municipalities in the state were included in meeting packets and they vary widely.

MOTION: Mayor Cronin moved to change the process of filing for elected office from petitions to a filing fee; Councilmember Ward seconded and the motion PASSED on a vote of 7 to 2 with Councilmembers Carroll and Ferencz casting the dissenting votes.

MOTION: Mayor Cronin moved to set the filing fees for elected office as \$100 for Council and \$200 for Mayor; Councilmember Harrington seconded.

Mayor Cronin and Councilmember Harrington withdrew the motion and second, respectively.

MOTION: Councilmember Ward moved to set the filing fees for elected officials at \$100 for Councilmembers and \$300 for Mayor; Councilmember Bettelli seconded.

The Mayor noted that the intention of these actions was to get more citizens of the island involved in local government.

Councilmember Ward stated that, with a higher fee, people would be reluctant to pay that amount and not run as has happened with petitions in the past.

Councilmember Rice added that maybe young professionals would consider running for elected office with the petitions eliminated.

Councilmember Bettelli called for the question, and the motion PASSED UNANIMOUSLY.

VOTE: The motion PASSED on a vote off 7 to 2 with Councilmembers Carroll and Ferencz casting the dissenting votes.

B. Status of Public Restroom Funding

Mayor Cronin reported that he and the City Administrator had attended the meeting of the Charleston County Parks and Recreation Commission (CCPRC) the previous evening to make the case to include one million dollars (\$1,000,000) for public restrooms on the island in the upcoming referendum. They were the first item on the *Agenda* and presented justification to the Parks and Recreation Commission to assist the City, but the Commission was not interested in

helping. They said that, if additional restrooms were needed, they would construct them on their property, the County Park; they suggested that the City used its parking fees to fund new public restrooms. They took no action at the meeting.

Administrator Tucker remarked that they had reiterated the City's position that it was ready to negotiate and was up to just about anything as long as new restrooms were constructed. She said that she got the impression that the decision had been made before she and the Mayor spoke.

The Mayor' opinion is that the City is going to have to wait a year until the next budget cycle if the City is to get any financial assistance from Charleston County.

6. New Business

A. Recommendation from the Real Property Committee to award a contract to ATM in the amount of \$15,000 for Grant Application Assistance

Administrator Tucker reported that this request is the result of Committee's discussions about the marina redevelopment plan; she noted that ATM has had a great deal of success in pursuing grants that have ultimately been secured and those amenities constructed at other marinas throughout South Carolina. Along with their familiarity with these grants, they know that often grant funds are available but not utilized. This proposal offers their expertise with two (2) grants that they believe the City could be awarded and use in the marina redevelopment plan. One (1) of the grants is a Boating Infrastructure Grant (BIG) that is designed to benefit transient boats twenty-six feet (26 ft.) and greater, and it's deadline is July 1st; ATM will complete and submit the application for the BIG grant for twelve thousand dollars (\$12,000) on behalf of the City. The second grant is the Shore-based Saltwater Fishing Access, and the ATM will also complete and submit this application for a fee of three thousand dollars (\$3,000).

The Mayor noted that the marina typically gets transient boats in the spring and fall of the year, not in the summer months. He also noted that the docks must be replaced and the BIG grant would offset some of that cost for the City.

Councilmember Bergwerf stated that, if restrooms were added, the BIG grant would pay a part of those costs as well.

Councilmember Ferencz asked if this grant was an endeavor to increase the commercialization of the marina; she commented that residents would not be bringing in transient boats.

The Administrator agreed with the statement about residents, but indicated that she would not consider it to be a commercial endeavor because the transient boats would belong to individuals for recreational purposes.

Councilmember Ferencz noted that the money these boats bring to the marina would be a part of the commercial aspect, so the City wants to increase the number of transient boats coming to the marina.

The Mayor stated that the City's being awarded a BIG grant would not increase the dockage at the marina; he reiterated that the City will be replacing the docks whether it is awarded the grant or not. The grant would only defray a portion of the costs the City would incur.

The Administrator related that Mr. Marshall had told the Real Property Committee that there is a lot of flexibility with the BIG grant, for instance, once the City accepts the obligation, changes/modifications to the plan can be made. Therefore, Mr. Marshall encouraged the City to apply now with only a preliminary plan because it can be changed after the initial application is approved. In addition, the Administrator confirmed that the BIG grant does have a matching component, and the minimum is twenty-five percent (25%).

Responding to Councilmember Kinghorn, the Administrator said that this is a federal grant that is administered by the South Carolina Department of Natural Resources.

Mayor Cronin indicated that the City would have about five (5) years to use the funds and that he expects the docks to be one of the first projects in the marina redevelopment plan.

Councilmember Ferencz voiced her skepticism about the flexibility of a federal grant based on her past experiences.

Councilmember Ward asked what to tell residents hearing about this BIG grant application and thinking that it is a move to further commercialize the marina and lessen the availability for the residents.

Responding, Councilmember Bergwerf said to tell these residents that the docks are in very poor condition and must be replaced and, if the City is fortunate enough to be awarded the grant, the money will decrease the expense for the replacement to the City.

Councilmember Ward stated that the residents think the marina is headed in the wrong way and that they are very worried about it. He commented that he would like to see the path reversed so that the marina was mainly for the residents.

Administrator Tucker noted that the marina already gets transient boats, and this grant gives the City the opportunity to replace the docks they are using with federal dollars, not City dollars. The docks used by transient boats are and will continue to be available to residents; they will not be for transient boats only.

Councilmember Ferencz reported that she had gotten a draft copy of the Real Property Committee minutes and, based on reading them, opined that the grant appears to be in conflict with what the residents want.

The Administrator acknowledged that the City does not have a lot of experience with the BIG grant; the City filled out an application in the past, but decided at the last minute not to submit it.

MOTION: Mayor Cronin moved to award ATM \$12,000 to generate and to submit an application for a Boating Infrastructure Grant; Councilmember Bergwerf seconded.

Councilmember Ward indicated that the members of the Real Property Committee knew much more about the grant than the balance of Council and that he was worried that the City might be awarded the grant only to learn that there were many caveats attached to which the City would not otherwise agree.

Councilmember Bettelli commented that, if the City were to be awarded a grant, Council would still have the opportunity to refuse or accept it.

Administrator Tucker said that she would invite Mr. Marshall to attend the Council meeting to answer questions about the grant.

In Councilmember Harrington's view, applying for this grant was the fiscally responsible thing to do.

Councilmember Ferencz contended that, since the City currently does not have a marina redevelopment plan, there would be no harm in delaying the application for a year – "the funds would not go away."

VOTE: The motion PASSED on a vote of 7 to 2 with Councilmembers Ferencz and Carroll casting dissenting votes.

The second grant that ATM thought the City had a good chance of being awarded was the Shore-based Saltwater Fishing Access Proposal. Administrator Tucker explained that this grant would be for a dock at the marina to be set aside for a City dock or similar use that would be suitable to provide public fishing access to the Intracoastal Waterway or Morgan Creek. She noted that this grant does not require any matching funds and currently there is not a dock for fishing at the marina although people do it anyway.

Councilmember Carroll commented that the busiest place on the Intracoastal Waterway for the Isle of Palms is at the marina with boats, jet-skis, kayaks, paddleboards, etc.; all of which make the marina less than ideal for fishing.

Councilmember Bergwerf stated that there is no place on the island for people to go to fish, but Councilmember Carroll countered that the bridge at Breach Inlet is a great spot for fishing. This grant would also allow residents to have access to the Intracoastal Waterway even if they only want a place to sit and drink a cup of coffee.

Administrator Tucker said that the Tidal Wave dock was discussed as a possible fishing dock if another location could be found for that business.

Mayor Cronin suggested that the decision to pursue this grant be postponed to the Council meeting when Mr. Marshall would be present to provide more information.

B. Award of a Contract for Paving the Handicap Space at 42nd Avenue

The Administrator reported that staff has gotten only one (1) price for this project, and it is seven thousand four hundred fifty dollars (\$7,450). Pricing was requested from other vendors, and staff

hopes to get pricing from other vendors. Staff's recommendation is to authorize up to seventy-five hundred dollars (\$7,500) to be used for paving the handicap space at 42nd Avenue; she stated that the funds are budgeted under Hospitality Tax at ninety-five thousand dollars (\$95,000) associated with that dune walkover.

MOTION: Councilmember Harrington moved to authorize up to \$7,500 to pave the handicap access at 42nd Avenue; Councilmember Bergwerf seconded.

When Councilmember Bettelli asked when the work would be done, the Mayor responded that the City would like it done right away.

VOTE: The motion PASSED UNANIMOUSLY.

C. Recommendations from the Real Property Committee

1. **Consideration of allowing IOP residents with properly credentialed vehicles to park in the municipal parking lot at any time at no charge**

MOTION: Councilmember Ward moved to allow IOP residents with properly credentialed vehicles to park in the municipal parking lot at no charge any time; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

2. **Consideration of reducing the fees charged at the parking lot kiosks to \$1.00/hour from 4:00 p.m. to 8:00 p.m. each day**

MOTION: Councilmember Ward moved to reduce the fees charged at the parking lot kiosks to \$1.00/hour from 4:00 p.m. to 8:00 p.m. each day; Councilmember Bettelli seconded.

A "properly credentialed vehicle" was defined as a vehicle with a residential parking or a Wild Dunes' resident decal.

Councilmember Kinghorn asked if staff had studied how this change would affect the FY17 budgeted parking lot revenue.

Although Councilmember Bettelli said that was not one (1) of the considerations, he stated that people are not coming to Front Beach to dine because of the ten dollar (\$10.00) parking rate and the businesses are suffering.

VOTE: The motion PASSED UNANIMOUSLY.

D. Approval of City's Landscaping Contract Assignment to EcoScape Solutions Group, the new owner of Lawns Done Right

MOTION: Councilmember Ward moved to approve the assignment of the City's landscaping contract to EcoScape Solutions Group, the new owner of Lawns Done Right; Councilmember Bergwerf seconded.

The Mayor remarked that this is a change of ownership and that the City will continue to work with the same group of people.

VOTE: The motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Mayor Cronin asked if the meeting could be held earlier, and Councilmember Ward said that he would support a move to an earlier hour to reduce overtime for staff.

The consensus of the Committee was to hold the July Ways and Means Committee meeting at 5:00 p.m. on July 19, 2016.

8. Executive Session – not necessary

9. Adjourn

MOTION: Councilmember Ward moved to adjourn the meeting at 7:30 p.m.; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk