

WAYS and MEANS COMMITTEE

5:00 p.m., Tuesday, August 16, 2016

The regular meeting of the Ways and Means Committee was held at 6:00 p.m., Tuesday, August 16, 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, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, 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 or Previous Meeting's Minutes

MOTION: Councilmember Bergwerf moved to approve the minutes of the regular meeting of July 19, 2016 as submitted; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Bill Macchio told the Committee about the magazine he is proposing for the Isle of Palms and that the magazine has been sanctioned to be in all of the state's welcome centers. He was very excited about the magazine and encouraged the Committee to endorse the ATAX Committee's recommendation.

MOTION: Councilmember Rice moved to re-order the Agenda and to move Item 6.K. to this point in the meeting; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

6. New Business

K. Discussion of using FY17 budgeted funds of \$10,000 for Public Art for creating an IOP mural

Administrator Tucker commented that the original plan for these funds was to place a sculpture at Front Beach where the kiosk currently stands; finding an appropriate piece of art has been challenging. Since the art piece would be at the end of 10th Avenue and Ocean Boulevard, it would provide an opportunity for climbers. The City is fortunate to have a muralist who is in town, is available and has concepts of her work that could beautify the eyesore at Front Beach, i.e. the public restrooms, with a mural on three (3) sides. In an email earlier today, Committee members received her financial proposal and her ideas for the building.

Gretta Kreusi made a short presentation of some of her work; she explained that she uses regular exterior house paint and brushes. She reported that she has worked all over the world and that her murals are very popular as a background for photographs; her thoughts for the restroom was something fun and nostalgic and reflective of the Isle of Palms. She said that three (3) sides of the building are usable, i.e. the front at the street, the side with the walkway and the back where the showers are. For the front, she was proposing a post card like image with "Greetings from the Isle of Palms, South Carolina;" along the walking path, the mural could be of several loggerhead turtles swimming in the ocean; and on the third side, several options were shown, i.e.

a mermaid, on open-mouthed shark remindful of “Jaws,” another turtle, or pretty jellyfish. Since the Isle of Palms is her home, Ms. Kreusi’s proposal to paint a mural on three (3) sides of the public restrooms was six thousand seven hundred fifty dollars (\$6,750).

Commenting that the future of the building was unclear, Councilmember Carroll asked how long the murals typically last, and Ms. Kreusi responded five to ten (5-10) years.

The Mayor asked how they were maintained, and the answer was that there is very little maintenance required; she referred the Committee to the mural at Banana Cabana that was painted in 2007 as an example.

Since the City has not commissioned a mural in the past, the Administrator checked the area for pricing and she was told eighteen to twenty-two thousand dollars (\$18,000 – 22,000). The Administrator speculated that the cost quoted to the City was to bring examples of her work to the East coast and to garner more work in the area.

Ms. Kreusi re-stated that the Isle of Palms is her home town and she is an artist because that is her passion; she confirmed that the price to the City was below her normal pricing, but she wanted to contribute art on the Isle of Palms.

MOTION: Councilmember Rice moved to approve up to \$10,000 to Gretta Kreusi to create public art in the form of murals on 3 sides of the public restrooms; Councilmember Bergwerf seconded.

Councilmember Carroll asked the Mayor what the status of the public restrooms was presently.

Mayor Cronin informed the Committee that the City had just received its rating from FEMA for flood insurance, and that the City received points for enforcing the fifty percent (50%) rule. One of the stipulations with that rule is that the cumulative total for a five year (5 yr.) period cannot exceed fifty percent (50%) of the value of the building; according to the Mayor, the City did not get enough points to make a change in the rating. Theoretically, the City could change its ordinance eliminating the fifty percent (50%) rule for maybe five (5) years to be able to annually make significant improvements to the public restrooms – up to fifty percent (50%) of the value each year. The downside is that said change would not affect just the restrooms but every structure on the island; Director Kerr has been asked to further investigate the fifty percent (50%) rule as it relates to the City.

The Mayor reported that staff has suggested removing the showers from the exterior wall and having free-standing shower pods in their place which could be done now.

Councilmember Rice stated that anything the City could do to the restrooms would be an improvement over what is there now.

Speaking as the mother of an artist, Councilmember Ferencz said that she was “absolutely mortified” when she saw the email that the City would ask Ms. Kreusi to put her time and talent to work on the public restroom; she opined that painting murals on this building was “like whitewashing an outhouse.”

Ms. Kreusi thanked Councilmember Ferencz for her concern, but she said that she does not associate her talent with a dirty bathroom and she does not take it as an offense to do so. She said that she belongs to a group in California that beautifies old and ugly buildings; she acknowledged that the restrooms need serious attention, but that she would “love to be the person who improved it.”

Councilmember Kinghorn voiced his understanding that this would be a stop gap measure for three to five (3-5) years, but, in the meantime, the City needed to replace the fixtures. As long as the public restrooms are being used, they must be a safe and healthy place inside and out.

When Ms. Kreusi was asked about her experience with vandalism, she responded that she has had one (1) of her pieces graffitied; she indicated that the risk of her mural being vandalized was the same as any other wall and the touch-up would be very inexpensive.

Amendment: Councilmember Ferencz moved to amend the motion to include improvements to the inside to the optimum amount that can be spent before approving improvements to the exterior; Councilmember Ward seconded.

The Mayor suggested that a discussion of the interior improvements take place in the Real Property Committee, and he reminded the Committee that he would like to see the showers moved away from the building.

At Councilmember Carroll’s urging, Administrator Tucker was asked to explain further her concerns about changing the fifty percent (50%) rule. The Administrator said that they were twofold; the rule has been in place a long time and it makes the City more disaster resilient. In order to continue to invest in properties that are below the baseline elevation and are going to be repetitive loss problems since they will flood with rains like the City experienced last October or hurricanes. Theoretically thinking that efforts be made to make the City as disaster resistant and resilient as possible, it seems prudent to have regulations like that in place. There is also the fact that the City has required some homeowners to demolish and rebuild in order to make the improvements they want to make; over the years, the City has made homeowners elevate their home in order to make the improvements they want.

The Administrator said that the time had come for another analysis to know how much the City could spend on improvements this year, rather than change the ordinance. The risk of letting the ordinance stay in place is that the City can spend enough money to raise the roof and make significant renovations and afterward something happens that damages the building, the City would be forced to elevate. Administrator Tucker opined that all of these factors need to be considered when Council considers whether or not to amend the ordinance. Another consideration is that, with the increases in flood insurance premiums for properties that are considered subsidized (those below flood elevation), the problem may take care of itself. The fifty percent (50%) rule has been in place to try to take care of the problem with having more disaster resistant properties on the island. More and more people are facing exorbitant flood insurance costs to leave their homes in this risky state so people could be motivated to elevate their homes.

Councilmember Ferencz pointed out that the artwork originally considered would be permanent, and she repeated her stance that the fate of the building should be decided before anything else.

Councilmember Kinghorn repeated that the City should paint the floor and ceiling of the restrooms, replace the fixtures and have the murals painted on the exterior walls.

Councilmember Ferencz explained that the problem with the interior of the restrooms was that it has no ventilation; the roof needs to be raised to have ventilation coming in.

Councilmember Bettelli *called for the question* and Councilmember Bergwerf seconded.

Administrator Tucker explained that this action, if passed by a two-thirds ($\frac{2}{3}$) vote, will end debate.

VOTE on CALL FOR QUESTION: The action was APPROVED with Councilmembers Carroll, Ferencz and Ward voting against.

VOTE ON AMENDMENT: The amendment FAILED on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward supporting the amendment.

VOTE ON ORIGINAL MOTION: The original motion PASSED on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward voting in the negative.

Responding to the question about when they were to be painted, Ms. Kreusi said that she would recommend starting in September after the beach season.

MOTION: Mayor Cronin moved to reorder the Agenda to discuss Item D under New Business at this juncture of the meeting; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

D. Consideration of a contract amendment with Coastal Science and Engineering for a change in the scope of work involved with locating a new borrow sites in the amount of \$125,750

Administrator Tucker referred to a new project schedule associated with the beach restoration project with the first amendment to the existing contract with Coastal Science and Engineering (CSE). One of the driving factors in the expense is sixty thousand dollars (\$60,000) for the Cultural Resources Survey; the cost has increased by twenty thousand dollars (\$20,000) since the budget was developed for the project. As shown on the project schedule, the engineering and permitting were budgeted at nine hundred thousand dollars (\$900,000); costs of the original contract added to this amendment total three hundred twenty-four thousand five hundred thirty-one dollars (\$324,531). She reminded the Committee that unanticipated complications had come up with the proposed borrow site, and staff was trying to work through them, including meeting with some of the permitting agencies. The issue with the proposed borrow site is a pending possible historical site right where the good sand is. When looking for other areas around it, borings are finding rock and mud. The City is trying to negotiate with the State Preservation office to be allowed to use the borrow site already established. She noted that Steven Traynum was present to give a more technical explanation. The Administrator also indicated that staff was going to prepare a grant application to submit to the SC Department of Parks, Recreation and Tourism.

MOTION: Mayor Cronin moved to enter into a contract amendment with Coastal Science and Engineering to expand the scope of work involved with locating a new borrow site in the amount of \$125,750; Councilmember Rice seconded.

Councilmember Rice asked what the City's chances were with the state underwater archaeologist on getting approval to use preferred borrow site.

Mr. Traynum stated that the problems with SHPO are ones CSE has not dealt with in the past despite of the fact that they routinely perform a cultural resource surveys on every dredging project to check for anything that might be of historical significance. If something is found in that survey, CSE has typically established a buffer around of five hundred to six hundred feet (500-600 ft.) and SHPO has been satisfied. When CSE first heard from SHPO, they had already located two (2) borrow sites near the 2008 site that have good quality sand in them; it was then that they learned the chosen borrow sites were in the proposed historic site. SHPO has sent Mr. Traynum the location of the site as well as the site of a couple of wrecks they have found; the whole of the proposed historical district includes the two (2) ridges of good sand CSE has selected.

In any beach project, the best quality sand is what is wanted on the beach; from the environmental aspect, the sand needs to match, as close as possible, the sand that is on the beach for the benthic organisms; the color of the sand needs to look good with the sand already on the beach; also undesirable are mud on the beach, too many shells or rocks. Other state agencies, the Corp of Engineers, the Department of Fish and Wildlife and DNR understand these facts; therefore, Mr. Traynum thinks that they will support the City in using the best sand that is offshore regardless of where it comes from. SHPO, on the other hand, does not care about the sand on the beach, they are interested in preserving paleo-landscapes, not just the wrecks but also the contours on the bottom of this arbitrary box they have selected. A meeting is scheduled for next week with the Corps of Engineers and OCRM to discuss the issue; if CSE is successful in finding another site with the same quality sand outside of the SHPO's box, they will use that sand for this project, but, in the future, CSE would not be allowed to harvest from the proposed historical site.

When CSE was in the initial phases of this project, they anticipated more borings, but they have now had to eliminate two (2) areas they could have "zoomed in on." As stated earlier, CSE had planned to do the cultural survey, but SHPO is now requesting a second survey which typically does not produce anything helpful, and that is increasing the cost and they are having to use a wider search area.

Mr. Traynum added that this issue is not only holding up the permitting process, but it is also holding up the reimbursement from FEMA for the damage from the October storm. He said that CSE has been unable to give SHPO a final answer until they know that there is enough sand outside of their box; therefore they are trying to find that sand or trying to get an idea from the other agencies involved about what they should do.

Administrator Tucker said that CSE could find another site that could actually end up being the real resting places of these ships.

VOTE: The motion PASSED UNANIMOUSLY.

4. Financial Statements

A. Financial Statement – July 2016

The financial statement for discussion is the July 2016 data, or one (1) month into the new fiscal year. General Fund Revenue was three hundred ninety thousand dollars (\$390,000) that came primarily from Rental Licenses and Parking; Parking revenue represents both the parking lots and the Front Beach kiosks. For one (1) month the target for revenue and expense would be eight percent (8%); for all departments expenses are at six percent (6%). The General Fund cash balance is three million ten thousand dollars (\$3,010,000); total cash from all funds is in excess of fourteen million five hundred dollars (\$14,500,000), an increase of two million dollars (\$2,000,000) from July 2015.

B. Tourism Schedules

Each of the tourism schedules represent a full year's activity; the Treasurer reported that, after several years of significant growth, FY16 has had growth of only one or two percent (1-2%), but it has been consistent with the reports from the state and county.

Councilmember Ferencz asked if the City had reached its maximum in tourism and hospitality and if the small increases were indicative of the future.

Treasurer Suggs commented that accommodations taxes are not only a factor of occupancy but also of rates.

The Mayor said that he did not think rooms had been added, but rates have increased by reasonable percentages; possibly last year, rates went up only a modest amount. He also noted that another hotel is being constructed in Wild Dunes.

Councilmember Rice stated that, beginning early in the year, Wild Dunes started sending information about the loss of beach during high tide; they let everyone know that there was not going to be dry sand at high tide. In addition, they sent out the tide charts so that people could select weeks when the tides would be more favorable to beachgoers. The Councilmember opined that sending out all of this information definitely had an impact on accommodations taxes from Wild Dunes.

C. Project Worksheets

Treasurer Suggs stated that there was very little change since it was reviewed in July; she commented that she had not tried to segregate vehicle maintenance or gas usage for the vehicles BSOs used. Since this was an FY16 startup and that the worksheet has served its purpose, she planned to retire it unless someone objected.

The worksheet for the parking lots will continue to be updated until the kiosks are covered for the winter; the only expenses for July were three (3) signs and trash removal. To-date the net profit on the lots is one hundred fifty eight thousand three hundred fifteen (\$158,315).

Councilmember Kinghorn suggested that, if the City continues to see good profit from the parking lots, the Real Property Committee consider re-investing in them, for example grading, different surfaces, landscaping, etc.

Councilmember Rice questioned that the City had enough kiosks in the parking lots, and the Administrator replied that the City has budgeted for additional kiosks mainly for the large lot.

D. FY16 End of Year Update

According to the Treasurer, nearly all of the transactions for FY16 have been recorded; one (1) remaining item is the final month of Local Option Sales Taxes. She announced that General Fund revenues were five percent (5%) ahead of budget, and General Fund expenditures were ninety-eight percent (98%) of budget. The projected year-end positive net result, or change in fund balance, for the General Fund is five hundred eighty-five thousand dollars (\$585,000).

The auditors will begin their work the day after Labor Day.

Administrator Tucker said that a schedule of the components of the positive net result will be distributed at a future meeting.

E. Results of Actuarial Evaluation

Treasurer Suggs stated that the actuarial report talks about health insurance premiums related to pre-65 retirees; the City does not and has not subsidized explicitly in any way retiree health insurance. When someone retires from the City but wants to stay on the health insurance plan, they can do so by paying the City for the full cost of that insurance. An accounting rule has come down very similar to the ruling about the unfunded liability for the state retirement plan; the rule is that each individual municipality had to recognize on the balance sheet its share of the underfunded liability. For the City of Isle of Palms that meant recognizing a seven million dollar (\$7,000,000) liability; the Treasurer commented that the City will not have to pay anyone relative to this liability.

The Treasurer repeated that the City has not promised any retiree that it will subsidize their health insurance, but, being a part of the State Health Plan, the premiums for retirees are a blended rate, meaning those rates are lower than they would be if the retiree was in a class that was rated individually, because retirees are proven to have a higher experience rating and, therefore, should have a higher insurance premium, but they do not. This creates an implicit liability that, by accounting standards, the City must recognize if retirees participate in the health plan.

In order not to recognize this implicit liability, the City took the position that retirees who want to participate in the City's health insurance plan must pay in full the stated premium plus thirty percent (30%), which penalizes IOP pre-65 retirees. At the time it was a non-issue because no one was looking at retirement, but that is not true today; the City may have employees who might be interested.

The actuaries have determined what the amount of implicit liability would be to recognize on the financial statement; his conclusion was that the unfunded liability would be one hundred twenty-

nine thousand dollars (\$129,000), and the approximate increase per year to that unfunded liability would be approximately eighteen thousand dollars (\$18,000).

Treasurer Suggs reiterated that this is something for which the City will never have to write a check.

Councilmember Ward also stated that the only thing the City must do is disclose it on the financial statement.

Treasurer Suggs said that she would like for the City to lift the requirement for the extra thirty percent (30%) on health insurance premiums for pre-65 retirees.

MOTION: Councilmember Ward moved to remove the 30% penalty on health insurance premiums for pre-65 retirees who want to stay on the City's plan; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

5. Old Business

6. New Business

A. Consideration of awarding a sole source contract in an amount not to exceed \$3,500 to Civil Site Environmental (CSE) to review all documents and construction drawings of Lowe Wild Dunes drainage revisions between Palm Boulevard and Palmetto Drive

MOTION: Mayor Cronin moved to award a sole source Contract to Civil Site Environmental as stated above; Councilmember Ward seconded.

Mayor Cronin stated that CSE has done all of the City's stormwater drainage improvements and continued with Phase II. Mr. Stevens has been instrumental in the work done to move Phase I water through the Wild Dunes complex through their lagoon system to the marsh. With the construction of Phase II of the Villages, they will need to move a lot of piping that will affect all of the water the City is pulling from 53rd to 57th Avenue; the City wants assurance that the work is done correctly without affecting the flow of water.

Administrator Tucker referred to the need for an "engineering watchdog" to ensure that the City gets the same functionality after the pipes are moved as the City has now. She added that the sole source justification for using David Stevens and CSE was placed on the dais review.

VOTE: The motion PASSED UNANIMOUSLY.

Councilmember Kinghorn asked for the opportunity to speak about a somewhat similar subject, i.e. Wild Dunes. He stated that Council does not appear to know the economic impact of Wild Dunes on the island; he suggested that the resort have such a study done and put them in contact with someone at the College of Charleston; the study is to be completed in September.

Councilmember Kinghorn suggested holding the October or November Council meeting at Wild Dunes to hear from them about the study results of the economic impact of the biggest employer on the island and add other items such as the relocation of the stormwater drainage and beach renourishment. Dates that they have available are October 25th or November 15th.

Mayor Cronin indicated that he preferred having a Special Meeting.

B. Recommendations from the ATAX Committee

- 1. Approval of \$1,000 to promote surfing on the island as a healthy, family-friendly activity on the Carolina Coast Surf Club surf-cam page**

MOTION: Mayor Cronin moved to promote the City on the Carolina Coast Surf Club surf-cam page; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

- 2. Approval of \$19,180 for a full-page advertisement for the City in the Isle of Palms Magazine published quarterly and placed in visitor centers to promote local businesses, lifestyles and calendar of events**

MOTION: Mayor Cronin moved to purchase advertising as described in the Isle of Palms magazine as detailed above; Councilmember Bettelli seconded.

Councilmember Bergwerf commented that the nineteen thousand one hundred eighty dollars (\$19,180) was for four (4) issues of the magazine; and that was confirmed.

Councilmember Bettelli asked how many copies he would print each quarter.

Mr. Macchio said that Mount Pleasant gave him the idea about the welcome centers and agreed to pay for additional printing of the magazine for the welcome centers. He explained that the money is not only for the full-page ad but also for printing an additional three thousand (3,000) magazines branded with the City seal and iop.net, the City's website, prominently featured on the front cover of the magazines for the welcome centers. He stated that the Administrator told him that the City does not have any printed materials in visitors' centers.

Responding to Councilmember Rice, Mr. Macchio confirmed that it will be a flip magazine with Sullivan's Island.

He told Councilmember Bergwerf that a normal printing is ten thousand copies (10,000), but, if the ATAX money is approved, he will print thirteen thousand (13,000).

When Councilmember Ward asked whether Sullivan's Island was contributing, Mr. Macchio answered that they would not be contributing and that he had not approached them. Since they have so few rental properties, it would be a very hard sell.

Councilmember Ferencz thought that this would be a good advertising vehicle for the "Secret Season," but she did not support advertising in all four (4) issues; she suggested buying two (2)

additional printings, one (1) for October and second for January. She added that the City does not need to promote the island in April or July; the island has all of the visitors it can handle in the two (2) following quarters.

Councilmember Carroll expressed being uneasy with the Isle of Palms being asked for nineteen thousand dollars (\$19,000) for half a magazine when Sullivan's Island will get half of the magazine for free.

Mr. Macchio said that, if the City does not support the magazine, it definitely should have printed materials in the welcome centers.

When Councilmember Rice noted that the CVB has a major advertising campaign for the beaches that promotes the Isle of Palms, Administrator Tucker added that the campaign is for all of the Charleston area beaches and includes a link to the IOP website.

Councilmember Kinghorn asked what type of data gathering process Mr. Macchio has in place that would tell the City how successful the magazine was.

Mr. Macchio said that one (1) indicator would be an increase in accommodations taxes, but he was very sure that it would have a positive impact on the island.

Mr. Macchio suggested that the City partner on the magazine for a year and evaluate the value to the City afterward.

AMENDMENT: Councilmember Ferencz moved to amend the motion to participate in the Isle of Palms magazine with full page ads in 4 printings and 2 extra printings of 3,000 copies for a total of \$13,180; Councilmember Rice seconded.

VOTE ON AMENDMENT: The amendment FAILED on a vote of 3 to 6; Councilmembers Rice, Ferencz and Harrington supported the motion.

VOTE ON MOTION: The motion FAILED on a vote of 3 to 6 with Mayor Cronin, Councilmembers Bettelli and Harrington supporting the motion.

3. Approval of over-budget expenditures of \$431.11 for the ATAX share of the new rescue truck

MOTION: Mayor Cronin moved to approve the over-budget expenditure in the ATAX budget of \$431.11; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

C. Recommendations from the Public Safety Committee

MOTION: Councilmember Ward moved to award a contract to
1) L32 Mobile Vision body cameras in the amount of \$18,314.50 to be partially offset by grant of \$9,600 from the SC Department of Public Safety;

- 2) **Contract award to Vic Bailey Ford for 1 Ford 2017 Interceptor SUV (unmarked) at a cost of \$27,341, state contract pricing;**
- 3) **Contract award to Benson Ford for 1 Ford 2017 Police Interceptor Sedan (marked) at a cost of \$24,467, state contract pricing; and**
- 4) **Contract award to Jones Ford for 1 2016 Ford F150 4x4 Super Crew Cab truck in the amount of \$31,375.17, state contract pricing;**

Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

5. **Consideration of a contract award to Custom signs, state contract vendor, in an amount not to exceed \$6,000 for 2 solar powered radar speed signs.**

MOTION: Councilmember Ward moved to award a contract to Custom Signs in an amount not to exceed \$6,000 for 2 solar powered radar speed signs; Councilmember Ferencz seconded.

Responding to the Committee's questions, Captain Usry stated that, although these signs are intended to be mounted on speed limit signs on 41st Avenue, they can be mobile; additionally the signs have a two (2) year warranty.

VOTE: The motion PASSED UNANIMOUSLY.

- E. **Consideration of a contract award to Verizon in the amount of \$19,171.12 for 19 Apple iPad Pro Tablets for Council, Department Managers and Administrative staff**

MOTION: Councilmember Harrington moved to award a contract to Verizon in the amount of \$19,171.12 for Apple iPad tablets for Council, Department Managers and Administrative staff; Councilmember Carroll seconded.

Councilmember Ferencz asked whether historical data would be loaded on the tablets and was told that users should be able to connect to the intranet and the City website for historical data.

Councilmember Ward commented that the City needs a policy that incumbent candidates cannot use the City-owned tablets when campaigning.

VOTE: The motion PASSED UNANIMOUSLY.

- F. **Consideration of a contract award to Software One in an amount not to exceed \$12,000 for Microsoft 365 licensing software, email hosting and archiving, state contract pricing.**

MOTION: Mayor Cronin moved to award a contract to Software One for Microsoft 365 as detailed above in an amount not to exceed \$12,000; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

G. Consideration of a contract award to Motorola for 38 walkie-talkies with necessary accessories and service agreements for the Fire Department in an amount not to exceed \$200,000, state contract pricing

MOTION: Mayor Cronin moved to award a contract to Motorola for 38 walkie-talkies, accessories and service agreements in an amount not to exceed \$200,000; Councilmember Carroll seconded.

Chief Graham said that these units are used not only at fires but also for water calls; they are constantly exposed to the elements and that puts a strain on the equipment. She reported taking one to eight (1-8) radios to the shop one to four (1-4) times a week, meaning that one to eight (1-8) radios out of service for a week) and that the radios are generally becoming unreliable. In addition, Motorola is phasing out this particular model and not anticipating any significant technology changes in the near future.

The Mayor inquired about the ability to communicate with the Police Department that will still have the old radios, and the Chief assured him that the new radios will talk to the old ones.

When asked by Councilmember Ferencz why the Chief was replacing all of her department's radios at once, Chief Graham said that the primary reason is that currently the radios are discounted by five hundred dollars (\$500) and there is the need for consistency, but the old radios will continue to be used until they can no longer be repaired.

VOTE: The motion PASSED on a vote of 8 to 1; Councilmember Ward cast the dissenting vote.

H. Discussion from the Public Works Committee to procure a comprehensive plan for bikeways throughout the island and re-surfacing of Palm Boulevard south of the Connector.

Mayor Cronin stated that the City has tried for years to get a bike path from Breach Inlet to 57th Avenue and it will be a topic of discussion in a meeting with SC DOT scheduled for September.

Councilmember Kinghorn noted that, along with resurfacing Palm, bike lanes should be added to both sides of the road to provide more safety for cyclists.

Councilmember Ferencz reported that the resurfacing of Palm Boulevard, as discussed in the Committee meeting, was an immediate safety concern and needs to be addressed as soon as possible. The Councilmember thought that the City needed a plan for bike paths that was island wide – where paths should be, what needs to be done to make them safe, etc. – and phased with Palm Boulevard getting the top priority.

Mayor Cronin noted that the City has met with the Battery to the Beach group, and the route through the island has been mapped out already. The route would take cyclists from Breach Inlet onto Ocean Boulevard at 3rd Avenue, going to 14th to Palm on Ocean and to Waterway Boulevard at 21st Avenue to the marina.

Administrator Tucker remarked that the bike path on Waterway Boulevard is actually a multi-purpose path.

Councilmember Bettelli said that, when bike paths were discussed before, Chief Buckhannon told Council that cyclists can ride in the roadway even if a bike path exists according to state law.

The Administrator Tucker reported that the Council of Governments has a regional biking master plan that includes the Isle of Palms.

I. Recommendation from the Recreation Committee to hire an architect for an amount not to exceed \$7,500 to develop a plan for expanding the Rec Center to accommodate a fitness/cardio room using the Recreation Building Fund.

MOTION: Councilmember Rice moved to hire an architect for no more than \$7,500 to design a fitness/cardio room for the Recreation Department using funds from the Recreation Building Fund; Councilmember Bettelli seconded.

Councilmember Ward questioned that a fitness/cardio room could be built and equipped for less than six hundred fifty thousand dollars (\$650,000).

Councilmember Kinghorn thought that number was too high and expected the study to give the Committee some approximation of the actual costs.

Councilmember Ferencz asked what the usage of the cardio room was, and Director Page distributed a handout graphically showing the usage by month, by day and comparing 2015 to 2016.

Director Page reported that she had contacted David Burch, the architect of the existing building, and they had discussed what could be done with the current footprint and what the City needed to do. Mr. Burch suggested duplicating the High Tide/Low Tide Room, used for fitness classes now, on the backside of the facility where the Master Plan shows future expansion. When Council decides to build the new gym or swimming pool, they can incorporate that part with the new facility. The High Tide/Low Tide Room measures fifty-two feet by forty-eight feet (52 ft. x 48 ft.), and Mr. Burch estimated building costs to two hundred dollars per square foot (\$200/ sq. ft.), or approximately five hundred thousand dollars (\$500,000).

Director Page stated that the space could be smaller; she said that she was simply relating her initial conversation with Mr. Burch.

Councilmember Kinghorn asked if anyone had looked at the existing footprint, and the Director said she had contacted David Matthews, the contractor for the Rec Center, and they looked at the footprint. The only thing they think is feasible would be to raise the ceiling in the current cardio

room eight to ten inches (8-10 in.) and put in an exhaust fan since the room has sufficient air conditioning; what is missing is the air circulation. Her preliminary estimate for that work is less than five thousand dollars (\$5,000).

With an average daily usage of 8 people, Councilmember Ferencz asked if any of them were employees participating in the City's wellness program.

Director Page reported that the Recreation Center had a lot of walk-in traffic over the summer, particularly in the fitness classes. She also commented that, when any facility is upgraded, it tends to draw more people.

Councilmember Bergwerf stated that a large number of island residents belong to fitness centers in Mount Pleasant and that, if a fitness space were added to the Rec facility, she thought the usage would multiply as residents would no longer have to drive to Mount Pleasant. She thought this would be a good addition to the Recreation Center.

The Director reported that the high Tide/Low Tide Room was in use five (5) days a week and eight (8) hours a day; therefore, she thought that, if construction was to take place, it should be done with an eye to the future. If the City were to duplicate what it has, the Rec could hold more fitness classes, which is a huge activity to the residents of the island.

The seventy-five hundred dollars (\$7,500) will get the City a conceptual drawing of what the City believes is feasible for the facility.

Councilmember Rice commented that the City has an aging demographic, that people expect to have such a facility already and are taken aback when they see the cardio space. She also stated that the City should always be looking to improve its facilities, and it is something the people really want as illustrated by the Rec surveys. The cardio room is not used now because it does not meet the expectations of the residents.

Councilmember Carroll pointed out that neither Folly Beach or Sullivan's Island have indoor recreation facilities and the City should start with baby steps to see what happens.

Mayor Cronin asked Director Page to have the architect look at various sizes for the fitness/cardio space.

Councilmember Ward said that, if the size were reduced to two thousand square feet (2,000 sq. ft.), the cost would be four hundred thousand dollars (\$400,000); he then asked where the money was going to come from to fund it. He stated that he does not like the project and that the Isle of Palms cannot be everything to everybody.

Councilmember Rice said that nearly all of its participants from IOP and Sullivan's Island make up the majority, if not all, programs at the Rec have; very few participants come from off-island.

VOTE: The motion PASSED on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward casting nay votes.

J. Discussion of 2016 Property Tax Millage

Mayor Cronin said that Treasurer Suggs would get the property tax estimates from the County toward the middle of September; in an effort to avoid a Special Meeting, the Mayor proposed not meeting to set the millage if the estimate **at the current millage** is sufficient to support the budget. If the estimate does not support the budget, the Mayor suggested holding a Special Meeting on September 20th, prior to the Ways and Means Committee meeting to discuss changing the millage.

Council had no objections to the Mayor's proposal.

7. Miscellaneous Business

Councilmember Ferencz asked when the meeting would be held to assess the pros and cons of the first season of the managed beach parking program.

The Committee agreed upon having the meeting at 6:00 p.m. on Monday, October 17th.

Councilmember Kinghorn asked to share some information that would not require any discussion at this meeting; he asked that Committee members consider his proposal for a future meeting.

The City talks about costs, but time also has a huge cost attached to it, especially staff time. Councilmember Kinghorn stated that he was surprised at the number of meetings were held each month to discuss City business; he, therefore, was concerned about the impact Council has on staff's time and their ability to execute activities. He thought that hiring additional staff could potentially be avoided by trying to optimize staff time and, possibly, saving as much as half a year's time.

In Councilmember Kinghorn's opinion, Council meetings are required; add to that the six (6) committee meetings to come up with a total of eighty-four (84) meetings per year, which does not include boards and commissions or Special Meetings and Executive Sessions. Very conservatively, he identified three and a half (3.5) staff members are involved in these meetings that require preparation time and the meeting itself which computes to fourteen (14) hours per meeting.

In order to affect that, he suggested reducing the number of meetings by half (0.5), i.e. holding Ways and Means and meetings of standing committees every other month; Council would continue to meet once a month. By doing this, the total number of meetings would be reduced to forty-eight (48) per year, saving five hundred four hours (504 hrs.) of staff time. He pointed out that six or seven (6 or 7) staff members are present for this meeting, and, typically, more than three (3) staff members attend Committee meetings. If the number could be reduced and at the same time demonstrating efficiencies, Council can help staff, they could use their time to execute policies set by Council. Councilmember Kinghorn was confident that reducing the number of meetings to forty-eight (48) along with boards and commissions, Executive Sessions and Special meetings offers ample time for Council to do its business.

He asked that Councilmembers think about his proposal, talk between themselves, and talk to him one-on-one. If Council decides the suggestion has merit, Council could review that and try to effect some efficiencies there and to have real cost savings and add it to a future Agenda to determine the best way to do this.

Councilmember Carroll stated that the Isle of Palms is a city with a ten million dollar (\$10,000,000) budget and the Councilmembers meet together twice a month, which he often feels is not enough.

Councilmember Kinghorn responded that, every time there is a meeting, there is a direct cost, which could eliminate the funding of studies or not providing services to the City; meetings impact real costs.

Councilmember Ward noted that this item was not listed on the Agenda under Miscellaneous Business as it should have been.

Administrator Tucker added that Miscellaneous Business is not intended to be on the Agenda to allow anything to be brought up for discussion.

Next Meeting Date: 5:00 p.m., Tuesday, September 20, 2016

8. Executive Session – not needed

9. Adjournment

MOTION: Councilmember Carroll moved to adjourn the meeting at 7:56 p.m.;
Councilmember Kinghorn seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk