

## **SPECIAL MEETING OF CITY COUNCIL**

6:00 p.m., Thursday, January 10, 2008

The Special Meeting of the City Council was held at 6:00 p.m. on Thursday, January 19, 2008 in Council Chamber of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present were Mayor Sottile, Council members Buckhannon, Bettelli, Cronin, Duffy, Loftus, Piening, Rice and Taylor, City Administrator Tucker, City Attorney Sottile, Assistant to the Administrator Dziuban and City Clerk Copeland.

**1. Call to Order.** Mayor Sottile called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

Mayor Sottile asked that everyone stand in a moment of silent prayer in memory of Phyllis Spann, a long time resident of the island, who died today and for former Council member Leola Hanbury, who is in the hospital as the result of a fall on Monday.

Mayor Sottile asked that the City Clerk called the roll; with all of Council in attendance, there was a quorum to conduct business.

**2. Review of Alternatives for Fiscal Participation in the City's Permit Request for Beach Renourishment and Authorization for the Level of Participation.**

Mayor Sottile remarked that he is happy that the City has arrived at this point of determining its financial participation in the renourishment project. He recounted that, in the past two (2) years, the City has been very involved in this project in that Council has approved the City's Beach Management Plan, which is in the hands of OCRM awaiting approval. In hiring a Coast Engineer in 2007, the City has adopted a long-range renourishment program that will carry the City years into the future. The City has also appealed to the County for funds from a newly established beach renourishment fund. The City has also agreed to be the Permittee on the project; the permit has been delivered to the Corps of Engineers and OCRM. The Mayor also reported that OCRM has requested that the City accelerate the initiation of the project to the spring; the city has agreed and the contract is being amended. The City has also requested financial participation from the State of South Carolina. Both Senator Campsen and Representative Hagood have presented legislation related to public access that would make state funds more accessible to the City.

Mayor Sottile turned the meeting over to Administrator Tucker to explain the various options that are available to the City.

Administrator Tucker noted that there were copies of the scenarios she will review for the audience to follow her more closely. She thanked her staff and City Attorney Sottile for their assistance and patience as this document was compiled. The Administrator proceeded to explain each of the options, with their pros and cons. Included in the

presentation were basic assumptions under which the staff worked, an illustration of the calculations that determined the project cost; and there were fiscal participation scenarios that ranged from the City paying 0% to 100%, as well as options between. The handout is attached to the minutes.

Having completed her presentation, Mayor Sottile commented that the level of participation that the City Council decides upon will affect other projects that the City has planned. He commented that he is against any kind of tax increase to fund this project. He recalled that every year that he has been on Council, projects have been funded by Accommodations Taxes that were not anticipated when the budget was prepared, for example, police cars, garbage truck, fire trucks, etc. He stated that City could not be shutdown to be involved in the renourishment project.

**MOTION: Councilman Taylor moved that the City of Isle of Palms spend the following amount with the following stipulations on the current Isle of Palms Renourishment project:**

- 1) The City will spend \$2 million as a total amount including interest.**
- 2) Funding will come from a Revenue Bond pledging future Hospitality and Accommodations Tax revenues;**
- 3) Payments will be approximately \$336,000 over a 6 year term with a target interest rate of 5%;**
- 4) Payments will be made from total Accommodations and Hospitality tax funds;**
- 5) The approximate net cash contribution to the project will be approximately \$1.7 million;**
- 6) The project will not raise the City's millage rate and historical funding will continue;**
- 7) The City will be the Permittee for the project;**
- 8) The City will collect and manage all funds from all sources;**
- 9) The project cannot move forward without funding from all sources in place;**
- 10) If the project costs exceed current projections, the City will not increase its contribution amount.**
- 11) The scope of the project cannot change without the City's approval;**
- 12) All agreements are subject to legal review and approval.**

**Councilman Bettelli seconded the motion.**

In discussion, Councilman Taylor remarked that the goal tonight was to arrive at a number that the Council was comfortable with, and the number in his motion allows the City not to raise taxes and to continue to provide the level of service it has historically provided. He also reminded Council that they had contributed \$200,000 toward the permitting process. Councilman Taylor took a moment to thank Administrator Tucker and her staff for the long

hours they have spent in gathering the information and presenting it in such an understandable manner.

Councilman Cronin noted that he is in agreement with the Mayor that there should be no increase in property taxes to fund this initiative, but he stated that he has a problem with the fact that there is \$1.6 million in the Accommodations Tax Fund balance and there is no mention of using any of those funds. He asked what better use for those funds than to use them for beach renewal when the beaches bring such substantial revenues to the City.

**MOTION: Councilman Cronin moved to amend the motion to use \$700,000 from the Accommodations Fund balance to add to the \$2 million in the original motion. The motion DIED FOR LACK OF A SECOND.**

Councilman Duffy asked for clarification that this was a total expense of \$2 million to the City, not a percentage or a not to exceed figure if the bid was to come in considerably lower. Councilman Taylor stated that this was a total expense to the City; he added that he was comfortable with the estimated total cost of the project.

When Councilman Duffey asked for the scope of the project, Administrator Tucker responded that it was from 46<sup>th</sup> Avenue to the Dewees Inlet with the majority of the work to be in the effected area.

**Call for the question: The motion PASSED 8 TO 1 WITH COUNCILMAN CRONIN CASTING THE DISSENTING VOTE.**

**2. Authorization to enter into a Sole Source Contract with Coastal Science and Engineering in the amount of \$560,000 (\$200,000 in funding previously committed) for Phase II Coastal Engineering Design Services for Beach Nourishment Project at the Northeast end of the Isle of Palms.**

**MOTION: Councilwoman Rice moved to approve the Sole Source Contract with Coastal Science and Engineering; Councilman Bettelli seconded the motion.**

Administrator Tucker noted that there was a one page justification for the Sole Source Contract that indicated that Coastal Science and Engineering had done the feasibility study and to go to another firm would mean starting over and that study being repeated at a greater expense to the City. She stated that the contract is written that the City will pay for only what is used.

Councilwoman Rice asked if this fee was in addition to the \$2 million previously committed, and the Administrator responded that it was included in the \$2 million.

**Call for the question: The motion PASSED UNANIMOUSLY.**

- 4. Executive Session – None**
- 5. MOTION: With no further business to come before the Councilman Buckhannon moved to adjourn at 6:45 p.m.; Councilman Taylor seconded and the motion PASSED UNANIMOUSLY.**