



CITY COUNCIL MEETING
6:00pm, Tuesday, June 24, 2024
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Council members Bogosian, Anderson, Ward, Miars, Pierce, Campsen, and Carroll (via Zoom), Mayor Pounds

Absent: Council Member Hahn

Staff Present: Administrator Fragoso, Director Kerr, City, various department heads

2. Citizen's Comments

Carly David, 709 Palm Boulevard, spoke with concern about the flooding in the 2200 block of Waterway Boulevard. She said she is afraid that the portion of Waterway Boulevard between 21st and 32nd avenues will be left out of the upcoming project. She asked the Council to put the needs of the residents over those of the golf course. She will be meeting with Administrator Fragoso to better understand the plans for Waterway Boulevard.

3. Approval of previous meetings' minutes

A. Public Hearing– May 28, 2024

B. City Council Meeting – May 28, 2024

C. Special City Council Meeting Workshop – June 18, 2024

MOTION: Council Member Anderson made a motion to approve the minutes, and Council Member Bogosian seconded the motion. The motion passed unanimously.

4. Special Presentations

HR Manager Ladd introduced three new Public Safety employees.

5. Old Business -- none

6. New Business

A. Consideration of proposal from Trident Construction in the amount of \$17,010 to develop conceptual design and costs of options for relocation of City Hall

MOTION: Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

B. Consideration of an allocation of \$25,000 for purchase and installation of holiday decorations

MOTION: Council Member Bogosian made a motion to approve, and Council Member Campsen seconded the motion. The motion passed unanimously.

C. Consideration of proposed FY25 budget for the 30% State ATAX to be used for advertising and promotion of tourism per Section 6-4-10

MOTION: Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

D. Discussion of FY25 State budget provisos

Administrator Fragoso spoke about the two budget provisos that were introduced by Senator Goldfinch: Amendment 55-26 “deals with the beach’s definition. If the State establishes an area to be active beach based on that definition and an owner does not agree with that position, it allows the homeowner to challenge the State’s position in court. If the homeowner is successful, and the court rules in favor of the homeowner, then the State, in this example, would not have any jurisdiction over this area called beaches, then the State would be responsible for paying that property owner any attorney’s fees associated with that situation.”

The other proviso, 55-25, “is related to erosion control and this amendment would force OCRM to reassess all of the violations associated with hard erosion control structures that had been placed, particularly those that were placed after the Beach Front Management Act that was enacted in May of 2018, and reassess those violations with the new rules and the new baseline and the new setback line and allow a property owner to challenge that enforcement action from the State. And if the courts rule in favor of the property owner against the State, OCRM would be responsible for paying attorney’s fees for that property, reimbursing the property owner for attorney’s fees and any other expenditure that the owner has expended in trying to remedy a potential violation.”

Both provisos were approved by the Budget Conference Committee and will go to the House and Senate in a special session on Wednesday. If they remain in the budget, they will go to the Governor’s desk for signature or veto.

Council Member Ward spoke in opposition to these provisos as he believes, “we’re handcuffing the State agencies and that they might be hesitant to bring action in the future, that knowing that they could be impacted by having to pay attorney fees and other court costs. He would like to see City Council speak out against it.

MOTION: Council Member Ward made a motion to suspend the rules of order to allow for City Council to take action on the matter. Council Member Campsen seconded the motion.

Administrator Fragoso pointed out that the provisos were only recently introduced and have not allowed for discussion or a period of public comment.

Council Member Pierce noted that these provisos are only good for FY25 and would need to be renewed moving forward. Council Member Bogosian said while he understands the concern about OCRM, he said a judge still must rule against them before fees must be paid. He said it is too early for City Council to be involved in the matter.

Council Member Anderson said she does not want to see any measure that could keep OCRM from protecting the beaches. Council Member Campsen believes the City should support the Beach Advocates Group.

VOTE: A vote was taken with all in favor.

MOTION: Council Member Ward made a motion for the City of Isle of Palms to issue a statement strongly opposing budget provisos 55-25 and 55-26. Council Member Miars seconded the motion. A vote was taken as follows:

Ayes: Campsen, Anderson, Ward, Miars, Carroll, Pounds

Nays: Pierce, Bogosian

The motion passed 6-2.

E. Consideration of award of a contract for bulk container collection and disposal sanitation services

Administrator Fragoso said the City's portion of the contract to collect trash from the containers at the condominiums is approximately \$100,000, which is more than what is currently budgeted for the expense. She spoke to the lowest bidder for this contract, and they said the cost of an individual business requesting service for their business would be much higher than if they were part of a larger contract.

She said, "My recommendation is for the City to entertain a contract for the scope as we know it today. The RFB document indicated that the contractor should expect additions, deletions, changes in frequency. We're confirming that the \$2.50 per yard cost is not going to change if the City were to change or eliminate some of the locations to be serviced. We plan on having a meeting with all the commercial businesses and giving them the option." She would like to have the City secure the lowest price per yard as soon as possible.

MOTION: Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion.

Council members expressed concerns about the potential billing process to business owners and the lack of time to discuss the contract and options with the Public Services & Facilities Committee and local businesses.

The issue will be sent to the Public Services & Facilities Committee for deeper discussion and discernment.

Council Member Ward withdrew his motion to approve, and Council Member Anderson withdrew her second.

F. Discussion of 4th of July events

Administrator Fragoso said there will be a golf cart parade beginning at 10am. She shared the starting location of the parade as well as the rules of the parade as required by the Police Department. Numerous personnel will staff the event and signage directing golf cart traffic will be provided. Fireworks begin at 9pm.

7. Boards and Commissions Reports

- A. **Board of Zoning Appeals** – no meeting in June
- B. **Planning Commission** – minutes attached
- C. **Accommodations Tax Advisory Board** – no meeting in June
- D. **Environmental Advisory Committee** – minutes attached

8. Ordinances, Resolutions, and Petitions

A. Second Reading

Ordinance 2024-04 – an ordinance to adopt a budget for fiscal year beginning July 1, 2024 and ending June 30, 2025

MOTION: Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion.

Council Member Pierce said, “Thank you Debra, Desiree and staff, for all the work on the budget. Last year’s budget projected IOP’s fund balances remaining in the \$40M range over the 5-year planning horizon. This year’s initial draft projected government fund balances plummeting by \$22M to less than \$13M over the same planning horizon. What changed over the plan period?

- Council approved payroll increases to address inflation and retention, plus approved a paramedic unit and headcount, adding roughly \$8M to loaded labor and other cost.
- A new City Hall is being proposed with a low-end, heavily caveated estimate of \$6M, including financing.
- Issuance of \$9M in new debt plus financing cost. We have debt rolling off, but interest rates have doubled.
- A major beach renourishment project which puts IOP on cycle with the 2008 and 2018 projects. The original projection, based on recent estimates, caused IOP’s Beach Renourishment Fund to go negative by \$5M. The solution was simply to reduce the estimate by \$5M to bring the beach fund back to \$0 balance.

“I can’t support knowingly and arbitrarily adjusting an estimate of this magnitude that leaves IOP’s beach fund empty, then deficient for several years. Page 53 of the meeting packet shows the Beach Fund projection. Our auditors highlighted expense increases in the last audit report and staff have recommended we add new revenue streams. I agree.

“Council spent only a few minutes discussing new revenue streams, with a starter list of about a dozen possibilities presented at a workshop. Council committed to none of these. I have no

doubt, with the updated budget revisions, IOP has sufficient funding and reserves to fulfill current year obligations. However, in my opinion, this year's budget sends IOP on a spend trajectory that increases reliance on variable revenue, knowingly depletes some of IOP's fund balances and relies on more expensive debt financing, with no new matching funding sources. It also prioritizes discretionary project spending before we have identified and committed funding plans in place for IOP's future resiliency needs & projects such as proactive beach management, increasing flood mitigation, traffic measures, water quality and increasing employee cost."

Council Member Bogosian said, "I'm going to vote for adoption, but I do agree with virtually everything that Councilman Pierce said. I do feel like although the current fiscal year that we are approving looks fine and we'll get through that, I am concerned of how much the forecast, and we are approving in essence a five-year look or forecast, and I am concerned about how much has changed. We've, and I think we have added a lot, and we talked about putting in the need for other revenue streams. But I agree we've not done much, and I would encourage that we change this process instead of just looking at the budget at the time it comes renewed, and through the normal process, that we take a more active role all year long, that we're continuing looking at revenue sources whether that is through license fees, whatever the list that we generate, and start to implement those now, that we stop looking at the budget just because we don't need to approve one. So I am concerned though that as we look out five years that we are light on beach renourishment. We have got a lot of debt built in. I don't think it is something the City can't live with, but we do have a lot of debt built in, and me, for one, before I approve or agree to approving a new building, I'd want to make sure that we've got the right revenue sources to kind of help offset whatever the debt load is for that. So again, I'm going to vote for it, but I do agree that I think we've got more work to do with our budget and how our forecast looks down the road looks.

Council Member Miars said, "I just want to concur with what John said, and I think something that's really kind of, I don't know, brought that home to me is even this whole dumpster situation kind of coming up out of nowhere, and it just so happens that it is coming up out of nowhere when we're talking about the budget. I blame myself as I think we all can do a better job of looking at things more proactively. I think I'd like to see again starting next month or in the next couple of months that especially the committees start looking into specific things on each committee where we could potentially whether there are cost savings or revenues or just asking the questions of hey, should we be spending this money on dumpsters. That's just one thing that came out of the blue, and I wonder how many others are out there where we could potentially do better. So that is my goal for myself is for the next year for us to do better on that."

Council Member Campsen said, "This is my first budget cycle as I have said a couple of times now because it is, and I don't honestly feel like I contributed any more to this particular cycle as a City Council woman than I did when I was sitting out there and just making Citizens' Comments. I know we were presented with, I have long, for a decade at least, I have had a concern that our General Fund, what is our completely unrestricted revenue, is not keeping up with our expenses, and while I am very appreciative of the tourism transfers that we are able to make, and I understand what we can make and how we can make it and when we make it, I've

looked back. That number just keeps climbing, and we don't seem concerned about attempting in whatever small ways, and they are small to do what we can in the General Fund. We had ten opportunities, one being raising property taxes, which I don't think any of us wanted to do, but a number of them would not have had any impact on residents at all, and there was not any discussion around that really. I had expressed an interest in building permit and license revenues, maybe some changes at the Rec, which I think they've been tweaking some stuff out there. But I'm primarily concerned because I'm hearing from the Planning and Building Director that the revenue, they are concerned about the revenue because it could be going down because construction is slowing down, because the interest rates are getting high. Deborah has indicated that she's felt like we need to figure out some things in the General Fund to get some more revenue streams in there, and we didn't do any of it. It just didn't feel like I had much of an opportunity to say something and have something taken into account because the next draft would come back, and it would either something would be in there or not, but there was no like, I don't know what I am trying to say."

Council Member Ward said, "This is all well and good, but a lot of generalities, not many specifics. I am hearing a lot of we could have done this, we could have done that. My experience has been over the years is pick two or three, maybe four things and concentrate on them and bring it up and bring it up and bring it up. I'm just telling you reality is that you can't bring it up once and then kind of wonder what happened. It's just my experience has been you just have to be persistent and decide what your goals are and including with the budget and get specific with and say I want to do this and just keep pounding it and pounding it and pounding it to make it happen. A lot of the Public Works projects that I have worked on over the years take a minimum of two, three years."

He continued, "I think it is a good budget. I think the motion is to adopt a budget for this fiscal year, and I understand what everybody is saying. I agree I would like to look into all these generalities and make them specifics."

Administrator Fragoso added, "I think one of the exercises that we have been talking a lot about this fiscal year has been related to the beach and knowing that if the goal, we talk about the Beach Preservation Ad Hoc Committee and them being tasked with identifying a different policy for renourishment or a different funding mechanism to make up that gap. But what I wanted to make sure was very apparent and top of mind to this community is that if the City wants to take a more proactive approach on beach renourishment we are going to have a huge gap that we need to make up for. I would say that from my perspective, having gone through a couple of budget cycles now, one of the challenges with the workshop set up and having no votes at the workshop is one of the challenging pieces that we as a staff have when trying to understand where the consensus is, and I think that maybe to your point Council Member Campsen, the feeling like there was not consensus on some of these initiatives and when we went through the Committees made recommendations on specific projects or changes, and that gave us a clear direction of where the Committee was on a particular issue. So that is just something to consider as we look at preparing for the next budget cycle. What changes can be made to the meeting structure that

could facilitate that kind of discussion in a more clear direction about what the drafts will include, what initiatives we want to see.”

Council Member Pierce said, “I think the Council, given the importance, and I think you can kind of tell how I feel about the budget and the finances, I think we ought to reconsider reconstituting the Ways & Means Committee. That way we can have votes at those meetings, and then I think we can dive deeper into the not only the finances, but the spending details.”

Council Member Ward concurred with this suggestion.

VOTE: A vote was taken as follows:

Ayes: Anderson, Ward, Bogosian, Miars, Carroll, Pounds

Nays: Campsen, Pierce

The motion passed 6-2.

B. First Reading -- none

C. Resolutions and Petitions

i. Resolution 2024-03 – to recognize the City’s responsibility to provide a safe work environment for its employees

MOTION: Council Member Ward made a motion to approve and waive the reading. Council Member Anderson seconded the motion. The motion passed unanimously.

Administrator Fragoso said, “We present this resolution every year. The staff has a Safety Committee, and they meet pretty regularly to review safety policies, any accidents that we’ve been having, and identifying how we can improve training to ensure that we provide a safe work environment for folks and those that drive City-owned vehicles, what are some of the strategies to keep them safe while they are operating their jobs. So this is something that we certainly support.”

ii. Resolution 2024-04 – to support the adoption of the Charleston County Climate Action Plan

Director Kerr stated this request for approval comes from the Environmental Advisory Committee. The Town of Mt. Pleasant has passed a similar resolution. He said the plan the County will vote on in July is an aspirational document.

MOTION: Council Member Ward made a motion to approve and waive the reading. Council Member Anderson seconded the motion. The motion passed unanimously.

9. **Executive Session – not needed**

10. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Anderson seconded the motion. The meeting was adjourned at 7:06pm.

Respectfully submitted,

Nicole DeNeane
City Clerk