



SPECIAL CITY COUNCIL MEETING -- WORKSHOP

5:00pm, Tuesday, August 13, 2024

1207 Palm Boulevard and

broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Council members Bogosian, Anderson, Ward, Miars, Pierce, Carroll, and Mayor Pounds

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

Mayor Pounds thanked Council Member Campsen for her many years of service to the City. She has resigned from City Council and will be moving off the island. An election for her open seat will be held in November.

2. Citizens' Comments -- none

3. Special Presentations

A. Discussion with lobbyists regarding upcoming legislative session and city's policy and funding priorities –Jim Merrill, Boyd Brown, TT&B Government Affairs

Council members provided direction to Mr. Brown and Mr. Merrill about the areas in which they should lobby for the island. State-level beach nourishment funding, municipal-level flexibility to levy new fees and or taxes to support beach nourishment, funding for capital improvements that could free up money for beach nourishment, and flexibility of the use of the 30% ATAX funds earmarked for tourism promotion were the topics of focus suggested by Council members.

Mr. Merrill and Mr. Brown said Council may want to seek funding from other State-level agencies such as the Capital Reserve Fund and PRT. They also suggested speaking with the new leadership at SCDOT about the IOP Connector and improvements to Palm Boulevard.

City Council will vote on the funding priorities they wish for Mr. Boyd and Mr. Merrill to focus on at their August meeting.

B. Presentation of proposed long term financial and capital planning model – David Cheatwood, First Tryon Advisors

Mr. Cheatwood described the financial models he will provide to the City that will help with their financial planning. He shared screenshots of the tool and explained some of its capabilities. Council members suggested that Mr. Cheatwood look at the City's current budget model to see if and how it could be integrated into his financial planning tools.

Mr. Cheatwood explained that this tool is not proprietary and will be the City's product. City Council will vote on this proposal at their August meeting.

C. Review of road closure plans for Lowvelo Bike Ride on November 2, 2024

Mayor Pounds said that City Council has already approved this event. Administrator Fragoso said Lowvelo is anticipating a larger event this year, and they have been in conversations with Chief Cornett and Chief Oliverius about the event. Mr. Chris Winn of Lowvelo said they are looking to have about 2,000 participants at this year's event. He shared their plan to accommodate parking. Council Member Ward asked about the use of barricades, and Mr. Winn said they will not be used. He said they have spoken to Front Beach business owners and will also be sending direct mailers to everyone along the route.

4. Dashboard of City Operations and Short-Term Rental Report

Administrator Fragoso reported that one of the three open paramedic positions has been filled. There are two police officer and two BSO vacancies. Police Department charges related to traffic and livability are steadily increasing. Police Department calls for service in July were slightly lower than July 2023. Calls for service for the Fire Department were higher in July and were mostly EMS and rescue related.

She pointed out that a record amount of garbage and yard debris was collected in July. Director Kerr said staff suspects there is some debris being "imported" by contractors working on the island. Staff has been discussing ways in which to limit the amount of yard debris being put out on the street and will bring the issue to the Public Services & Facilities Committee.

As of August 6, 2024, 1,736 short-term rental licenses had been issued with 18 pending. At this same time last year (8/18/24), 1,786 short-term rental licenses had been issued.

5. Departmental Reports – in the meeting packet

6. Financial Review

A. Financial Statements and project worksheets

Director Hamilton said that most of what was collected in July has been accrued to FY24. Expenses are tracking as expected. The City has \$45.9 million in cash and earned \$203,000 in interest last month. Approximately \$282,00 of the ARPA funds have been spent on the public dock to date.

Municipal Accommodation taxes show that the City is 11% behind prior budget, but 15% of the funds remain uncollected. All State Accommodation taxes for FY24 have been received and show a decrease of 6% compared to last year but are 7% ahead of what was budgeted. The County ATAX pass-through is 3% behind prior year but the City is still waiting to collect 30% of those funds. Hospitality taxes for FY24 were 12% ahead of prior year and were 29% higher than budget. Local Option Sales Tax is 2% ahead of prior year and the City is waiting to collect 14% to meet the budget of \$1.1 million.

Preliminary and unaudited numbers for FY24 show a \$1.1 million surplus of revenues over expenditures. She attributes that to property taxes (7% ahead of budget), building licenses (36% ahead of budget), and rental licenses (4% ahead of budget). She noted that parking revenues are down, and Administrator Fragoso said that is likely due to less favorable weekend weather in July. The auditors will be here in September.

B. Discussion of financial goals for FY26 and forecast years

Mayor Pounds asked Council in what areas they need more financial information from staff that will help in preparing fiscal goals for FY26 and beyond. Council members requested trends for the tourism funds, grant income from the last several years, and future cash needs for projects.

7. Procurement

A. Purchase of Mini Excavator in the amount of \$53,634.23 state contract pricing [FY25 Budget, Capital Projects Funds, Public Works - \$50,000]

Administrator Fragoso said this purchase has come in slightly higher than budgeted.

B. Purchase of Skid Steer in the amount of \$62,500 state contract pricing [Phase 3 Drainage Bond Proceeds, \$159,163]

Administrator Fragoso said that this purchase is not in the budget but will be purchased from the remaining Phase 3 Drainage Bond proceeds. She will provide a justification memo for the purchase as it is part of strengthening the City's stormwater program.

C. Replacement of Recreation Dept. SUV in the amount of \$41,316 state contract pricing [FY25 Budget, Muni ATAX Fund, Recreation Dept. - \$40,000]

This purchase will also come in a little bit over budget.

D. Approval of contract for the construction of two (2) ADA boardwalks at 46th and 52nd Avenue [FY24 State Budget Allocation \$500,000]

Administrator Fragoso said 46th and 52nd avenues have been identified as locations where ADA boardwalks and parking can be added. Staff is reviewing the four bids received for the projects and anticipates being able to make a recommendation to Council at their August meeting.

E. Report to council per procurement code:

i. **UTV with plow attachment for Beach Services \$20,349.65 [FY25 Budget, Hospitality Tax Fund \$22,000]**

ii. **UTV for Beach Services \$18,325.39 [FY25 Budget, State ATAX Fund \$22,000]**

iii. **Golf cart replacement \$9,444.75 [FY25 Budget, Hospitality Tax Fund \$12,500]**

Administrator Fragoso said all three purchases came in under budget and are funded by tourism funds.

8. **Capital Projects Update**

Administrator Fragoso said there is still no word about the grant for the Waterway Boulevard project. Thomas & Hutton expects to complete the design (of higher elevation) and begin the permitting process for that project in early September. The permitting process will be at least 12 months. Thomas & Hutton is working closely with the Wild Dunes Resort on the timing of this project. Director Kerr said there is a City procurement issue that needs to be dealt with for this project, but they are working it out.

Now that Phase 3 of the drainage project is complete, work on Phase 4 – Palm Boulevard between 38th and 41st avenues – is beginning. Thomas & Hutton anticipates having the design complete in a few weeks so they can begin the permitting process, which is a shorter and simpler application as it does not involve any critical areas. They hope for construction to begin next fall.

Seamon & Whiteside will present staff with a draft of the Sea Level Rise Adaptation Plan in the next week or two. It should be ready to present to Council at their September workshop.

The gangway at the public dock is being fabricated. Work is still being done on the floating docks, but the dock should be available to the public before that work is complete.

Some emergency sand scraping was done in the 200 block of Ocean Boulevard after last week's storm. The sandbags for the 130 to 304 section of Ocean Boulevard have been delivered to the contractor and are being filled. They should begin to place them on the beach in a week. Extra sandbags were placed at Beachwood East prior to the storm.

Administrator Fragoso met with USACE who said the storm did not delay their progress on the beneficial use project. Sand placement for the Isle of Palms is still anticipated for the last week of September or the first week of October.

She also reported that the City did receive the permit from the State to allow the City to place sandbags at Breach Inlet. She said, "We are processing the escrow payment. We have to give a check to OCRM for the cost of removal. So we are processing that. They should have it later this week."

The City is waiting on the permit for the supplemental work post-USACE project. There was only one response to the RFB; the City is looking into that and speaking with Sullivan's Island about it since they are anticipating doing the same thing with their new sand.

The design for the undergrounding of electrical lines at 21st Avenue has been approved, and work is expected to be done in the first quarter of 2025.

9. **Strategic Plan Policy Initiatives and Priorities**

- A. **Livability**
- B. **Environmental**
- C. **Public Services**

- D. **Personnel**
- E. **Other items for discussion**
- 10. **Legislative Report**
- 11. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Anderson seconded the motion. The meeting adjourned at 7:09pm.

Respectfully submitted,

Nicole DeNeane
City Clerk