

**PUBLIC WORKS COMMITTEE**  
5:30 p.m., Wednesday, June 4, 2014

The regular meeting of the Public Works Committee was held at 5:30 p.m., Wednesday, June 4, 2014 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Ferencz and Loftus, Chair Ward, Administrator Tucker, Director Pitts, and Clerk Copeland. A quorum was present to conduct business.

1. Chair Ward 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 Loftus moved to approve the minutes of the regular meeting of May 7, 2014 as submitted; Councilmember Ferencz seconded and the motion **PASSED UNANIMOUSLY**.

3. **Citizens' Comments** – None

4. **Departmental Reports for May 2014** – Director Pitts

**Maintenance and Trash Collections Tracking Reports**

Director Pitts stated that the Public Works Department is in full summer mode; personnel did eight (8) beach sweeps and mowed rights-of-way. Eight (8) hours of overtime were generated pumping on May 1<sup>st</sup>, 2<sup>nd</sup> and 5<sup>th</sup>, and another two (2) hours overtime came from beach sweeps. On May 23<sup>rd</sup>, personnel deployed the recycling bins on the beach. Eadie's has cleaned and vacuumed stormwater boxes throughout the island in year four (4) of the five (5) year plan. The Director expects vehicle maintenance to end the year under budget, but the invoice for the flatbed repairs is not reflected in May's numbers. Garbage was down about ten (10) tons, and yard debris was up about ten (10) tons.

Councilmember Loftus stated that he has had a request from a resident about the poison oak on the 46<sup>th</sup> Avenue beach path. Cleaning of access paths started in late May, and personnel have completed through 31A and are working their way north according to the Director.

5. **Old Business**

**Review of FY15 Budgets**

**Consideration of Reservation of Funds Policy**

Administrator Tucker stated that this item has come from Ways and Means; committees were asked to review the Reserve of Fund requirements schedule and to consider ways to reduce the large contributions that are called for in the future. The Administrator reminded the Committee that this schedule represents the City's savings for the future cash purchases of large fire trucks, garbage packers and radios. At the Ways and Means meeting, options were suggested for reducing the impact of these contributions, and they were pushing out the replacement purchase by one (1) year and/or financing a portion of the cost of an asset. Staff reviewed both options and did not see a huge benefit from doing either of these for FY15; therefore, staff would advocate making no change to the contribution for the FY15 budget. Part of the

reasoning behind the advocacy is that, in looking to the out-years from FY20, the contributions will be reduced significantly and remain relatively steady going forward; when preparing the budget for FY16, Council and staff will have these options available to them. Another reason for supporting the decision to stay the course is that, although this is money held in reserve for a purpose, Council can change that decision at any time; if there was an emergency and the City needed these funds, Council can re-direct the reserve to deal with the emergency at-hand. If this reserve was tapped for other reasons, the City would either have to delay or find another mechanism to fund the equipment that is needed; the fact remains that Council can make an alternate decision.

On the subject of financing a portion of the purchase price, i.e. twenty-five percent (25%), the Administrator stated, from her experience, banking entities normally want to finance the vehicle, not just a piece of it. Staff is of the opinion that financing possibly every fourth vehicle would serve the same purpose. Each year as the budgeting process begins, Council can review the schedule and make decisions at that time what it wants to do about the annual contribution to the reserve and the options that are available to them.

Councilmember Ferencz asked for an explanation of the options noted at the top-right of the schedule. Treasurer Suggs stated:

Option 1 is the result of taking the replacement cost of a piece of equipment and dividing it by the number of years remaining until the actual replacement is scheduled to occur.

Option 2 takes the result of Option 1 and tries to achieve an annual set-aside that is relatively flat and still produce the desired result of having, in the prior year, the amount available to fund the next year's purchase.

Chair Ward noted that the 1999 rescue truck has only forty thousand (40,000) miles on it; he commented that his personal vehicle is eighteen (18) years old and has eighty-thousand (80,000) miles on it, but he is not looking to replace it. Since these are heavy-duty, commercial-grade vehicles, the Chair is of the opinion that this replacement should be moved out two (2) years. Chair Ward indicated that he had spoken with Chief Graham and that she had explained her reasons for the need to replace the rescue truck.

Responding to Councilmember Loftus' request for a detailed explanation of the schedule of estimated reserve requirements, Administrator Tucker explained that this schedule started with the ten-year (10-yr.) Capital Plan where the estimated useful life of large trucks is listed along with its estimated replacement cost. For this schedule, the estimated replacement cost is divided by the number of years since FY14, when this policy was adopted, before replacement is suggested; when a vehicle rolls forward for replacement, that piece of equipment is fully evaluated to determine whether its useful life can be extended. The estimated replacement cost is the purchase price adjusted by two percent (2%) per year for inflation. Since the rescue truck was scheduled for replacement in FY15, the full purchase price had to be reserved in FY14; if the purchase is made in FY15, the City will begin to set aside one sixteenth (1/16<sup>th</sup>) of the replacement in FY16.

Based on his experience in the manufacturing field, Councilmember Loftus stated that no manufacturing company would replace two (2) pieces of capital equipment in the same year, but in FY20, the City anticipates purchasing two (2) of the ladder trucks in the Fire Department.

Treasurer Suggs agreed that this was not the ideal situation, but the trucks were purchased in the same year; in her opinion, the beauty of this policy is that the City will have enough money to purchase the two (2) trucks. It may be that, when evaluated, one (1) or both trucks will be deferred a year.

Councilmember Loftus stated that he agrees with the Chair about deferring to the replacement of the rescue truck; in his opinion, the replacement years need to be better planned. He added that the City should take into account that everything is made better today than it was ten or twenty (10-20) years ago. The manufacturing process with new technology used in making these vehicles is light-years ahead of the past; in particular, he referenced how, with robotics, manufacturers are making precision welds that should last up to thirty (30) years. The Councilmember commented that he was not against having the funds available when the replacement is anticipated, but the Council should have the mindset of extending the useful life by two or three (2-3) years.

Councilmember Ferencz asked whether the purchase price of the rescue has already been saved; the Treasurer replied that the actual transfer will be made at the end of the fiscal year. The Councilmember noted that extending the life of this truck saves no money in the budget.

Chair Ward explained that an action to extend this vehicle's useful life will not affect the budget, but it will affect cash.

Councilmember Ferencz stated that, if Council wants to reduce expenses in the FY15 budget, not purchasing this particular truck does not affect the FY15 budget; the money was set aside at the end of FY14.

Treasurer Suggs commented that putting money into savings was not an expense; it was just ear-marking money and was not a negative on the income statement.

The Treasurer stated that, basically, this schedule is a depreciation schedule; she reminded the Committee that governmental agencies do not record depreciation. Chair Ward defined depreciation as allocating the cost of an asset over its useful life.

Councilmember Loftus added that, if the useful life is extended, the annual cost goes down. He then asked the Treasurer what effect deferring this replacement to FY16 would have on the FY15 budget.

Treasurer Suggs replied that, in FY14 and FY15, the amount going to the reserve would be one hundred fourteen thousand dollars (\$114,000) in each year rather than two hundred twenty-nine thousand dollars (\$229,000) in FY14. By FY16, the City would have set aside sufficient funds to replace the rescue truck.

Councilmember Loftus asked from which fund(s) the set asides would come. The Treasurer responded that the funds for fire trucks are fifty percent (50%) from Capital Projects and twenty-five percent (25%) each from the Municipal ATAX and State ATAX funds. The Councilmember asked if using the tourism funds would be drawing down the reserves for these two (2) funds; according to the Treasurer, the reservations have no impact on the total fund balance of any fund – money is simply moved from one (1) fund to another. When the purchase is actually made, the impact occurs.

The Administrator noted that deferring this truck could lead to an increase in the vehicle maintenance for the Fire Department, which affects the General Fund, and the General Fund is critical to operating the City.

Chair Ward reiterated that General Fund expenditures since 2007 have increased by forty-five percent (45%), and that, for FY15, over one million dollars (\$1,000,000) for the General Fund budget is transfers-in from tourism-related funds.

**MOTION: Councilmember Ferencz moved to defer the replacement of the rescue truck to FY16 and to reduce the FY14 and FY15 reservation of funds to half of the purchase price, or approximately one hundred fourteen thousand four hundred fifty dollars (\$114,450); Councilmember Loftus seconded for the purpose of discussion.**

Treasurer Suggs asked, whether procedurally, the Public Works Committee could tell the Public Safety Committee that they do not want to purchase the rescue truck.

Administrator Tucker noted that the FY15 budget was the topic on the *Agenda*; therefore, she interprets this motion as a recommendation on the budget to the Ways and Means Committee. The Administrator commented that actions taken in other committees have related to things that are under the purview of that committee. For staff to take an action with this motion, staff would be altering the budget brought forward for consideration by the Ways and Means Committee and the version for Second Reading without ever going before the Public Safety Committee.

Chair Ward suggested that the Public Works Committee should make this deferral as a recommendation to the Ways and Means Committee.

Councilmembers Ferencz and Loftus, respectively, withdrew the motion and second.

Referencing the source of funds for the vehicle purchase, Councilmember Loftus suggested that, since fifty percent (50%) of the purchase was coming from tourism funds, fifty percent (50%) of the maintenance costs should be allocated to the same tourism funds. To do this would eliminate the concerns about increased maintenance costs on the rescue truck.

Treasurer Suggs stated that she tried to take a global look at the transfers-in; she recalled that the City proved that thirty percent (30%) of the Public Works Department's expenses were attributable to tourism. The Treasurer commented that it is immaterial what expenses make up that thirty percent (30%), but that is the defensible limit to be covered by tourism funds.

Chair Ward confirmed that the City kept maintenance logs on each vehicle; with that information available, he asked to know what the maintenance costs were for the rescue truck for FY14 and the year before in order to project expenses for FY15.

The Chair indicated that there would be six or seven (6-7) other items from the FY15 budget to bring up for consideration at the Ways and Means Committee meeting.

The Chair commented that the FY15 budget has increased since the May Ways and Means meeting. Administrator Tucker reminded the Committee about the increase approved at the May meeting regarding the projected cost of getting into compliance with NPDES regulations.

Chair Ward concluded this discussion by stating that the City must find a way to stop spending.

## **6. New Business**

### **A. Discussion of Yard Debris Operation**

Administrator Tucker reported that, for the past couple of years, the City has received complaints from Wild Dunes relative to the CAT-operation, which is the claw-fronted vehicle that picks up the debris and puts it in the truck; she commented that this is typically a three (3) person operation. The operation includes the CAT, two (2) flatbeds and, at times, a temp rides along. The complaints are that the device sometimes scrapes the road leaving a white marking, which washes away with the first rain, and at times some debris may be left behind. The Administrator noted that some of the areas in Wild Dunes are very tight and some property owners have landscaped the right-of-way. There have been occasions, when lifting the bags has accidentally destroyed some vegetation planted in the right-of-way, leaves a bit of a mess and scrapes the road. The Administrator explained that there are pockets in Wild Dunes where people are quite infuriated and complain loudly to the Administrator and to the Community Association; they want the City to come up with a mechanism to eliminate these things from happening. Administrator Tucker reported that she and Director Pitts have discussed the matter multiple times in order to come up with a solution, like retrofitting the CAT in some way, but they are not sure there is an easy fix to the situation.

The Administrator said that she wanted to make the Committee aware of the problem; she added that to achieve the goal these residents want would mean having another crew to go behind the first crew to redress the road, and possibly another crew to go before to advise the second crew that there is vegetation in the right-of-way.

The people who are complaining are very upset and have put the issue on the City to fix.

The complaints last year were about the speed, and Director Pitts lowered the speed as requested. When the complaints surfaced again this year, the Director took the time to observe the operation trying to figure out what has changed. He stated that he has a fifteen (15) year CAT operator; the Director reported that he has had no complaints until two (2) years ago. The problem is, in the Director's opinion, the paper bags; when they allowed plastic bags, the operator could turn the claw and pinch to pick up the bags. With the paper bags, the operator

must close the claw at the bottom of the bags to get the bags into the truck; the case in point was on Shad Row with approximately one hundred fifty (150) bags at one (1) residence.

Director Pitts reported that on Saturday morning he started debris removal in Wild Dunes running two (2) flatbeds, the CAT and two (2) packers, and worked eight (8) hours. The Director said that personnel worked eight (8) hours in Wild Dunes on Monday and six (6) hours on Tuesday. The Director stated that he cannot slow down the process and service the seven (7) miles of the City of Isle of Palms; he noted that he is giving Wild Dunes more than half (½) a week.

Director Pitts stated that the complaints are coming from pockets within Wild Dunes, but, when a complaint is lodged with the Community Association, they look at those areas and other areas within Wild Dunes as well.

Administrator Tucker commented that certain problem areas are cul-de-sacs with a small island in the middle where residents deposit their bags, rather than on their own property; in addition, these islands have been dressed up with vegetation by the residents.

Councilmember Ferencz asked if there were times when it was better to have the three (3) guys who are there to pick up the bags manually; the Director replied that, if a crew were to slow down the operation to manually pick up one hundred fifty (150) bags, Public Works would spend a week in Wild Dunes removing debris.

When the Mayor was informed of the situation, his reaction was that, possibly, the Community Association should hire someone to follow behind the City's crew.

Director Pitts said that, if he sees something that was due to the crew's rushing, he will repair it - irrigation, replace a plant, replace mailboxes, etc.

Councilmember Loftus asked if there was another piece of equipment that could be used to scoop up debris in Wild Dunes. Treasurer Suggs said that would be buying a new piece of equipment and another employee.

Councilmember Loftus asked the Administrator how members of the Committee were to respond to questions about what the City is doing to resolve the problem. Administrator Tucker responded that the City is trying to be careful, but the City does not have the resources to expand staffing in the Public Works Department to clean up after the operation. If people have these landscaped areas and pile debris beside them, the only way the Administrator can know that the City is responsible for destroying something is to have the photo-documentation from before and after; otherwise the Administrator only sees the area after debris has been picked up, but not before the debris removal showing what was destroyed.

Councilmember Loftus stated that, possibly, the Community Association should have new guidelines on where debris should be placed; part of the problem is the behavior of the residents

Chair Ward recalled the discussions on the topic that the Committee had last year, and he thanked the Administrator for the information and asked to be updated.

**B. Contracts in Excess of \$10,000 – None**

**7. Miscellaneous Business**

**Update on Front Beach Lighting**

Administrator Tucker explained that she was happy to have had the omission of this item brought to her attention so that it could be added; in catching up on emails, she said that the Committee does need to take an action at this meeting. Westy Westmoreland of SCE&G has indicated that the City needs to select a fixture and a pole; once the decisions are made, SCE&G can proceed with a layout of light options, photometrics and estimated costs. In his communication, Mr. Westmoreland advised against the Autobahn pole, but he indicated that the “Emmett” pole would be a good choice because it spreads the light further. Additionally, any fixture can be attached onto any pole. SCE&G has recommended not going down the center island because that would require boring. The Administrator stated that the “Shepherd’s Crook” poles have been installed at 42<sup>nd</sup>, 44<sup>th</sup> and 45<sup>th</sup> Avenues. (Photographs of the various poles and fixtures are attached to the historical record of the meeting.)

The Chair reminded the Committee that SCE&G will be paying half (½) the cost of this project through the Non-standard Service Clause, and the Administrator stated that sharing the cost is the way the project appears in the FY15 budget. Treasurer Suggs commented that the City has budgeted seventy-five thousand dollars (\$75,000) for the undergrounding of lines and fifty thousand dollars (\$50,000) for Front Beach lighting; Mr. Westmoreland has indicated that should be sufficient to complete the project.

**MOTION: Councilmember Loftus moved to select the “Shepherd’s Crook” for the poles for the Front Beach lighting project; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.**

The lighting problem at Front Beach has been described to the Administrator as one when patrons leave a restaurant that is lit and, before their eyes can adjust to the darkness, they misstep off the curb or trip on the curb at the center of the street. With the additional lighting on either side, people might avoid tripping as their eyes adjust.

Chair Ward asked whether Mr. Westmoreland had given the Administrator a timeline for start through completion. Administrator Tucker responded that a decision had to be reached on the poles and fixtures before they could go any further; once the selection is made, SCE&G will proceed with the layout of light options and photometrics. When SEC&G has the approved layout, SCE&G can prepare upfront and on-going cost estimates.

Councilmember Loftus then suggested that SCE&G wire the new poles so that the City could do a future lighting enhancement, like the swag lights that were discussed in the initially. The Administrator confirmed that Mr. Westmoreland had said that the new poles will have receptacles on them. The Councilmember stated that he was excited about this project not only

for safety reasons, but he likes the idea of creating a more festive mood at Front Beach. He is of the opinion that, by doing so, more business will be driven to the commercial district. With the electrical in place, he believes that the swag lighting project can be done in a much less costly manner. He suggested that the Administrator describe to Mr. Westmoreland where the City wants to be in two (2) years with this being step one; possibly he could provide the Committee with some ideas about creating festive lighting in an area similar to Front Beach.

Chair Ward stated that he would like for this project to be completed by next season.

**MOTION: Councilmember Ferencz moved to adopt the "Prague" fixture; Councilmember Loftus seconded.**

Councilmember Loftus repeated that he wants to ensure that the infrastructure is built into this project to support future lighting enhancements at Front Beach.

**VOTE: The motion PASSED UNANIMOUSLY.**

Director Pitts informed the Committee that 43<sup>rd</sup> Avenue alley and 45<sup>th</sup> Avenue alley were paved by the IOP Water and Sewer Commission.

**Next Meeting Date: 5:30 p.m., Wednesday, August 6, 2014 in the Conference Room.**

Councilmember Loftus asked that the Front Beach lighting project should be on all agendas until it has been completed.

**8. Adjourn**

**MOTION: Councilmember Loftus moved to adjourn the meeting at 6:50 p.m.; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted,

Marie Copeland  
City Clerk