

PUBLIC WORKS COMMITTEE
5:30 p.m., Wednesday, February 11, 2015

The regular meeting of the Public Works Committee was held at 5:30 p.m., Wednesday, February 11, 2015 in the Conference Room of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Ferencz and Loftus, Chair Ward, City Administrator Tucker, Director Pitts, Assistant Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public were 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 January 14, 2015 as submitted; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Gail Bridgham, 2908 Palm Boulevard, was seeking assistance from the City to resolve the problems in front of her home due to a drainage ditch pipe between her home and 2906 Palm Boulevard. She reported that she has measured between the four foot (4 ft.) line and the drainage pipe and found that the space is eight feet (8 ft.) wide. She reported that water does not drain properly from in front of her house and is, in her opinion, a real safety hazard. In addition, the ditch has a drop-off that is not visible to drivers; when people pull in to park, their tires often fall into the ditch, requiring assistance from a push to a tow truck to escape. She asked if parking could be eliminated in that area.

Chair Ward stated that the ditch was a swale issue and that the grate was higher than the pipe; in an effort to resolve the problem, someone has put dirt into the ditch and created more of a problem.

Councilmember Loftus remarked that the white line is continuous on Palm Boulevard; he thought it would be difficult to make an exception in this one (1) area, particularly in terms of enforcement.

MOTION: Councilmember Loftus moved to re-order the *Agenda* to consider the first item under New Business at this time; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

6. New Business

A. Report on Concerns over Drainage at 2900 and 3000 Block of Palm Boulevard

Administrator Tucker noted that this has been a troubled area for a long time and is likely degrading. She noted that this is SCDOT right-of-way, and the City has reached out to them for a second time today to learn if any progress has been made. Additionally, the Administrator said that she does not know where the water goes, and the long-term fix is going to mean that

the drainage that is in place gets attached to something that goes to an outfall which is likely a large project.

The Administrator explained that, when the City addresses rights-of-way that are unstable, a material called sand-shell is often used that is far more stable and creates, over time, a surface that can be parked on despite being affected by rain. The short-term fix would be for SCDOT to put sand-shell there in place of the dirt to stabilize the area.

Director Pitts agreed, but noted that sand-shell is not an approved material by SCDOT.

Responding to Ms. Bridgham, Administrator Tucker commented that a homeowner's call to SCDOT often helps to get the job done quicker.

Councilmember Loftus asked Director Pitts if there was another way to resolve the problem with this drainage ditch. Director Pitts said that this swale goes toward the ocean, and the water disperses before it gets to the primary dune. This ditch is not in the City's system for maintenance, and it has not been maintained by SCDOT.

The Administrator commented that the City would not encourage the water to go toward the beach.

The Director stated that from 29th Avenue to 41st Avenue there is no infrastructure, and Councilmember Loftus indicated that the City would not be installing infrastructure for several years. Director Pitts said that he did not know who had installed the collection box there, and he described the situation was "a collection box for a retention pond."

Councilmember Loftus advocated for getting the material necessary to give Ms. Bridgham some degree of relief until a long-term solution can be provided.

The Administrator reported that she has contacted SCDOT about this problem; if the City does not get a satisfactory, immediate solution, she indicated that she would tell them that the City would stabilize the ditch.

Chair Ward suggested that the City should proceed with the work without the assistance of SCDOT; Administrator Tucker said that she would not like to do the work and then be told by SCDOT to remove it. Chair Ward commented that the homeowners need relief.

The Administrator stated that she would tell SCDOT that the City will go forward to stabilize the ditch and ask that they look for a more long-term solution. She cautioned that SCDOT may will force the City to remove it once they observe it.

MOTION: Councilmember Ferencz moved for the City to place sand-shell as a stabilizer in the right-of-way between 2906 and 2908 Palm Boulevard; Councilmember Loftus seconded.

Chair Ward asked Director Pitts for a timeframe for the work to be done; since there are certain times when the contractor can get sand-shell, he asked not to be tied to a timeframe, and he assured the Committee that the work would be done.

The Chair stated that he would like to have this drainage issue on the March Agenda.

VOTE: The motion PASSED UNANIMOUSLY.

Administrator Tucker urged Ms. Bridgham to advocate to SCDOT for a more permanent solution.

Councilmember Loftus noted that this ditch is a public safety hazard, therefore, should be referred to the Public Safety Agenda. Additionally he asked that the Committee be kept informed about the Public Safety Committee's actions.

The Administrator reported that the Public Safety Committee would have it on its March agenda; the agenda for the February 12th has been set.

MOTION: Councilmember Loftus moved to re-order the *Agenda* to discuss the one (1) item of *Old Business*, Discussion of Front Beach Lights and Pedestals; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

5. Old Business

Discussion of Front Beach Lights and Pedestals

The Administrator re-introduced Westy Westmoreland and Sam Loggins from SCE&G who were attending the meeting to answer the Committee's questions.

The Administrator recounted that, at the last meeting, staff had been asked to investigate pedestals to learn whether there was a design that would be more aesthetically pleasing; she described the few pedestals that have already been installed on Front Beach as "very utility-looking." They look as they do because staff was trying to ensure that the City has ample power now and in the future and to get them installed for the holiday displays. SCE&G's typical pedestals do not have adequate power for the City's application; therefore, those pedestals were not an option for the City's application. The pedestals on Front Beach are prototype applications made especially for the City.

Administrator Tucker has been told by SCE&G that there is not a pedestal offered that will do the same thing as those installed, but SCE&G explained that the City could put plants or screens around them to hide them or paint them. At present, she thought that there was only one (1) pedestal that is out in the open and clearly visible.

Mr. Westmoreland stated that SCE&G does not do pedestals at all; they are customer-work when used in a non-residential application. In a commercial application, the customer builds everything and runs the wire back to a point of service; all that SCE&G does is "tap it up" and plug the meter in.

Mr. Westmoreland remembered that the question arose due to issues at City events because extension cords are run from people's homes or businesses and some of the receptacles in the ground are old and unsafe. In the discussions about the Front Beach lighting project, SCE&G was asked if they could assist in any way with that problem.

Mr. Westmoreland explained that SCE&G has two (2) projects at Front Beach; the first is to get the power and conduit up to each light and the second is the power in the light and pole for the lighting. The Non-standard Service funds cover everything up to the light and are not factored into the lighting costs.

Once SCE&G agreed to help the City, Mr. Loggins did a lot of work, including meeting Assistant Dziuban and others on Front Beach looking for locations; eight (8) locations were identified, and three (3) have been installed to-date. Mr. Westmoreland explained that, to SCE&G, a pedestal is a meter can, a breaker and receptacles that are better protected, and that is what was provided for the City.

Commenting that the residential pedestals do not have as many receptacles as the ones that the City has, Mr. Loggins added that typically the residential pedestals have two (2) receptacles. The pedestals installed now have twelve (12) receptacles.

Administrator Tucker noted that the goal was to get enough to accommodate now and future festivals that might take place at Front Beach as directed by the Committee. The total amps per pedestal is one hundred (100), one (1) twenty (20) amp breaker for each pair of outlets.

Councilmember Loftus asked if all of the pedestals were to be alike, and the answer was yes. The Administrator commented that the remaining five (5) have already been built. He suggested that each location should be reviewed for its planned future use to determine if a two (2) outlet pedestal would suffice; he opined that so much power was not needed at all stations allowing for the installation of the more attractive, residential pedestals.

Since she worked with Mr. Loggins, Assistant Dziuban stated that, when the planning for the pedestals was done, no one considered high usage locations versus low usage; the considerations were where power would be needed for the holiday light displays or for some type of event and future growth.

Director Pitts noted that some of the City's light displays require four (4) receptacles.

Chair Ward commented that the very first decision he made in his second business was about power; with an electrician, the Chair decided that they would max out at two hundred fifty (250) amps, but four hundred fifty (450) amps were installed.

The Chair added that he agreed with Councilmember Loftus about the aesthetics, but he also agreed with Assistant Dziuban that the City needs to plan for the future and get as much amperage as possible can get. He suggested having a contest with the Mount Pleasant Artists Guild, Wando students and others to come up with an appropriate design for screens.

Mr. Westmoreland added that the pedestals belong to the City; the meter is the only part that does not belong to the City.

Chair Ward explained that the Committee was not aware of the power limitations and members were shocked when they saw the pedestals.

If one hundred (100) amps becomes a problem, Mr. Westmoreland said that they could be upgraded to two hundred (200) amps quite easily.

When asked when the project would be completed, Mr. Westmoreland stated the SCE&G plans to finish in early March; the construction supervisor was confident that the project would wind up by then. SCE&G wants to finish before the island gets busy.

Administrator Tucker commented to Mr. Westmoreland that the City has a street festival – Island Gras – scheduled for Saturday, March 7th from noon to 4:00 p.m.

Chair Ward thought that was a good time to hold a small ceremony relative to the new lighting at Front Beach; he noted that the new lighting is a major accomplishment for those who work at Front Beach. Councilmember Ferencz agreed that some type of recognition should occur at this event.

MOTION: Chair Ward moved for the Committee to direct Administrator Tucker to contact the Mount Pleasant Artists Guild and Wando High School about a design contest for screens that will go around the pedestals; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

4. Department Reports for January 2015 – Director Pitts

The Director reported that a focus had been painting the handicapped parking spaces, and high-lights include the removal of a large pile of debris in front of the Citadel Beach House and the removal of a tree from Forest Trail. During the month, the County was on the island cleaning some of the ditches. He was pleased to report that the heavy equipment was back on the island and in-service on January 20th. For vehicle maintenance, the Director reported that the Public Works Department was well within range for halfway through the fiscal year; he informed the Committee that vehicle maintenance costs for February will be extremely high. Garbage and debris collections were normal.

Director Pitts informed the Committee that the installation of the new compactor is scheduled for February 16th or 17th.

New Business

B. Discussion of Flooding at Handicap Access Parking

Chair Ward stated that this subject was brought to his attention by Councilmember Loftus.

Administrator Tucker said that she had nothing to report on this issue; she did say that she did not think there was any kind of intake where the water puddles and that it has been included as a lower priority project in a CTC list for funding.

According to Councilmember Loftus, the flooding makes it difficult for handicapped persons to get into and out of their cars; he offered a couple of solutions, such as raising the elevation with sand-shell or have the County fill the area with asphalt when they are on the island paving.

The Administrator remarked that the flooding has been a problem since it was installed by the County.

Director Pitts explained that to level the area would mean removing the sidewalk which would be higher than the crest of Palm Boulevard.

Responding to the Chair's suggestion to relocate the handicap parking to the other side of Palm, it would take SCDOT approval; the Administrator was of the opinion that SCDOT would discourage the idea because it would mean that people have to cross the road to get to the ramp.

Councilmember Loftus said that he would like for the City to engage the County or SCDOT to devise a plan to solve the problem. New construction of a home caused a good deal of research to be done on the problem and SCDOT was on-site; the research is in the Building Department files.

Councilmember Loftus asked that the Administrator engage Charleston County to fix the space.

The Administrator advised the Committee that she needed more resources and more information because she does not know what the solution is or who should take the action.

Noting that the County has engineers on its staff that could give a solution, Councilmember Loftus wanted the area brought to their attention; he opined that, if the space were raised, flooding would not be a problem.

Chair Ward asked for an update at the March Committee meeting.

C. Review of FY16 Revenue Projections

Beginning with General Fund revenues, Administrator Tucker commented that a slight increase is being projected for property taxes and the debt service millage, as well as Local Option Sales Taxes. She asked that Committee members look at both Business Licenses and Residential Rental Licenses together and noted that they represent a significant portion of the City's overall revenues. The Administrator commented that currently two (2) bills are before the legislature that could seriously impact that number; one (1) would eliminate municipal business licenses entirely, and the second would limit business license fees, possibly as low as one hundred dollars (\$100) per license. If either of these bills was to pass, the City would not be able to find a revenue source to cover the loss from business license fees and would, by necessity, have to cut services to residents. Committee members were requested to follow the announcements

from the Municipal Association and to contact elected officials to ask they oppose these bills because they would have devastating consequences for the City's budget. The major increase in Public Utility Fees can be attributed to the two percent (2%) increase in franchise fees approved by Council in the FY15 budgeting process. Even without the building permits and fees collected from Wild Dunes for the renovation of the condos, the City is projecting an increase in that line item; the uptick in construction on the island is quite visible. Court-generated revenue has been slightly reduced; the Administrator noted that this line does not include additional revenue from the new parking plan. Intergovernmental Transfers have been increased by the CPI and represent the amount paid to the City from Sullivan's Island for the dispatch services they have. State Shared Funds is another revenue source from the State that is in jeopardy; bills are before the legislature that would reduce these state-mandated funds. The Administrator again urged Committee members to contact local elected officials asking that they not support these bills. As the number of restaurants has increased, the Alcohol Sunday Sales Permits are projected to increase in FY16; parking lot revenue is expected to increase as are the Sales of Assets. Recreation Instructor's and Rec Program income are expected to remain relatively flat. With the continuing increase to State Accommodations Taxes, the amount that the City can retain has also grown. Also thought to remain flat are Parking Meter revenue and (rollout) Cart revenue.

Chair Ward commented that there is no revenue reflected from the new parking management plan.

The Administrator explained that until the number and the prices of passes is established, there is no way to estimate what the revenue will be, but it will be addressed later in the budget process.

Since the expense budgets have not yet been prepared, transfers-in have been inserted at the same level as in the FY15 budget.

The Capital Projects fund only shows the re-budget of money to bring the Public Works site into compliance with stormwater regulations.

Chair Ward inquired about the status of his request to re-locate the Public Works facility off the island; Administrator Tucker responded that the staff is working on the analysis, and the budgeted amount in the FY15 budget has been re-budgeted for FY16.

Councilmember Loftus referenced the Capital Funds budget, asking about funds for the replacement of the Front Beach restrooms; he said that he was expecting revenue from the County. The Administrator noted that Charleston County has not committed anything to the City.

The Councilmember thought that there should be a line-item noting that the City was anticipating such funds; the Administrator stated that a line item should only be inserted when the City knows what the County's intentions are. Currently, County personnel are doing their team evaluations of the project.

Councilmember Loftus asked whether the costs for replacing the public restrooms would be included in the expense budgets; to which the Administrator replied that the expense budgets have not been done at this stage of the process. Administrator Tucker did recall the meeting

she and the Mayor had with County officials when the City was told that they “have to have some skin in the game.” Chair Ward recalled that the City contributed about thirty percent (30%) toward the construction of the existing restrooms

The Administrator noted that she was unsure that everything could be done to start construction on new public restrooms in FY16.

Municipal Accommodations Tax projections include the additional five percent (5%) that the County is giving in lieu of the BSO grant.

Hospitality Taxes have been increased to six hundred thirty-six thousand dollars (\$636,000).

On State Accommodations Taxes, Administrator Tucker stated that the figure on the second line should be five hundred thousand dollars (500,000); this revenue stream has been increased based on the past four (4) quarters actual payments.

Income projected for the Beach Restoration Fund represent the City’s anticipated revenue generated by the additional one percent (1%) in State Accommodations Taxes from the Beach Preservation Fee. Based on the projects in the City’s future, it will need every penny collected from this source.

With the new source of revenue, staff is not anticipating a transfer-out to the Beach Restoration Fund in FY16.

Revenues for the Marina Fund come from the rent payments of the tenants; the line for Morgan Creek Grill includes approximately fifty thousand dollars (\$50,000) in additional rent. The Administrator added that Morgan Creek Grill has indicated that they want to renegotiate their lease.

Chair Ward asked when the marina store would be up for renewal again; Administrator Tucker commented that lease amendments have been negotiated that include some different provisions for both monthly rent and additional rent and for a term of thirty (30) years. In turn, the City would no longer be responsible for the replacement of items that are on the Capital Plan.

Chair Ward said he has learned that the costs of materials are excluded from the lease in the calculation of gross profit contrary to an accountant’s calculation of gross profit. The Administrator noted that the calculation is spelled out in the lease.

The Administrator explained that, when the City purchased the marina, the goal of Council at that time was for the marina and its tenants to be successful; therefore, the City was quite generous when negotiating the leases. The present Council feels differently and has little sympathy, and now marina tenants are generating problems for the City. Despite the difference in attitude, the City is still living with the leases negotiated right after the purchase.

The Chair then asked whether the assessor had been to the site and stated when the City should charging for rent, and the Administrator responded that had not been done.

Councilmember Ferencz reported that, in the negotiations for the thirty (30) year leases, there were no discussions of the rent; the discussion was about getting the City's assets at the marina off the City's books. Administrator Tucker noted that was her assignment.

Councilmember Ferencz commented that, if Council passes the ordinances for the leases, the City cannot negotiate a higher rent for another thirty (30) years.

The Administrator explained that, unless the tenant comes forward or there is some reason, like a default, the City cannot initiate negotiations for a change to the leases.

Responding to Councilmember Ferencz' question, Administrator Tucker stated that Council could decide not to pass the lease ordinances at Second Reading to look at other things; it is their prerogative to do so. The Administrator noted that, if the ordinances do not pass, the lease will revert to the one in place; unless there was a default, the City would have no mechanism to go back now to change how the rent is calculated.

Chair Ward did confirm that the rent is adjusted annually by the CPI.

Councilmember Ferencz asked whether the City had other assets at the marina beyond those listed on the Capital Plan; Administrator Tucker stated that the work has not yet been completed.

The Councilmember voiced interest in seeing further into the future of the Capital Plan to see whether there are other "big ticket" items for which the City will no longer be responsible and to learn what their value would be to the City. In her opinion, the items listed on the Capital Plan do not represent a large sum of money, so the City is not getting very much in exchange for the longer term lease. Councilmember Ferencz stated that she could not make the numbers work, so entering into thirty (30) year leases was not a good deal for the City in her opinion.

The Administrator added that one aspect of the leases not to be overlooked is the indication that the tenant will make capital improvements to the property with a thirty (30) year lease.

Councilmember Ferencz countered that the tenant had not provided the City with a list of possible improvements.

Returning to the review of the FY16 revenue budgets, the Administrator said that only interest income is represented for the Disaster Recovery Fund; when the City has a good year, Council may decide to add to this fund.

The Federal Narcotics Fund is dissolving itself, and the revenue for the Victims Assistance Fund equals FY15's actual revenue. Revenue for the Plant-a-Palm Fund comes from sales of the commemorative bricks on Front Beach, and the Recreation Building Fund gets its revenues from the Connector Run and the IOP Beach Run.

The Volunteer Fire 1% Fund is anticipated to see a good increase in FY16; this money represents a percentage of the premiums homeowners pay for fire insurance.

Directing attention to the large schedule, Administrator Tucker pointed to the box in the lower left and commented that the years should be FY15 and FY16, not FY14 and FY15 as printed. This schedule shows what percentage of the City's total revenue is split between the City's major funds.

D. Contracts in Excess of \$10,000

Award of a Sole Source Contract to Hughes Motors, Inc. in the Amount of \$193,700 for one 2016 Mack GU713, a 30-yard Garbage Truck

Administrator Tucker related that, some years back, a Public Works Committee decided that the City should have consistency of equipment in the Public Works Department and were very

committee to the Mack product. The City has had experience with both Ford and International garbage trucks, but they did not last as long as the Mack trucks have. For that reason, the City has in recent years stayed with the Mack, which is the reason for the sole source contract award.

Director Pitts noted that, in his tenure as Director, he has extended the life of the trucks from fourteen to eighteen (14-18) years; the truck being replaced has been in-service since 1998. He added that the price is seven hundred dollars (\$700) over budget. Responding to Councilmember Loftus, the Director said that, if he called with a promissory tomorrow, the City could take delivery in September.

Assistant Dziuban commented that the City would enter into the contract in FY15

Councilmember Loftus asked about the sale price of the existing truck, and Director Pitts and Assistant Dziuban agreed that the last truck the City sold was the same year, had been hard to sell and went for fifty-five hundred dollars (\$5,500).

Assistant Dziuban noted that the amount should be increased by three hundred dollars (\$300) for sales taxes.

MOTION: Councilmember Loftus moved to award a sole source contract to Hughes Motors, Inc. in the amount of \$194,000 for one 2016 Mack GU713, a 30-yard garbage truck; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Next Meeting Date: 5:30 p.m., Thursday, March 12, 2015 in the Conference Room.

8. Adjourn

MOTION: Councilmember Loftus moved to adjourn the meeting at 7:09 p.m.; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk