

WAYS AND MEANS COMMITTEE

5:45 p.m., Tuesday, October 20, 2009

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, October 20, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Council and Committee members Bergwerf, Buckhannon, Duffy, Loftus, Piening, Rice, Mayor Cronin and Chairman Taylor, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. There was a quorum present to conduct business; Councilman Bettelli's absence was excused.

1. Chairman Taylor 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.

2. Approval of Previous Meeting's Minutes

MOTION: Councilwoman Rice moved to approve the minutes of the regular meeting of September 15, 2009 as submitted: Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Financial Statement and Review of Local Government Fund Impacts

Treasurer Suggs stated that the financial statement for review was for the month of September 2009 and that there was little to discuss because this is the slow revenue period for the City. She related that the revenue highlight was that Residential Rental Licenses were nearly ninety-three percent (93%) collected; the Treasurer also informed the Committee that she had established a new General Ledger account, Property Tax Debt Service, to track the portion of property tax millage that was earmarked specifically to pay the debt service on the Public Safety Building. Treasurer Suggs noted that expenses in the General Funds were at twenty-two percent (22%) of budget with a target through three (3) months of the year at twenty-five percent (25%), and all departments were at or under budget through September. She also stated that cash available as a percent of annual General Fund expenses is at twenty percent (20%); the Treasurer predicted that this percentage would be lower before it would begin to increase again. She repeated that the City's expenses are routine and ongoing while revenues are cyclical.

On the subject of the Local Government Fund, Treasurer Suggs reported that the Municipal Association had reassessed their projections of the distribution of these funds; in so doing, the City's original estimate of \$125,226 has been lowered to \$121,265 – a shortfall of approximately four thousand dollars (\$4,000). She expressed confidence that the difference could be made up in some other area.

Project Status

A. Beach Restoration

The only activity in September was for post-project monitoring and the grading of escarpments in the restoration area.

B. Public Safety Building

Expenses are primarily attributable to the up-fitting of the building and the fourteenth (14th) application for payment from Mashburn. In response to Councilwoman Rice's question about progress on the punch list, Administrator Tucker responded that progress is being made and the list was dwindling. The biggest problem remains the heating and air conditioning system that is not properly cooling the third floor of the building.

Treasurer Suggs directed attention to the Tourism Related Revenues schedules; she reported that the City had not yet received its first quarterly payment from the state for State Accommodations Tax revenue. For Municipal Accommodations Fees, the August 2009 receipts of one hundred fourteen thousand dollars (\$114,093) were eight thousand dollars less than August 2008, and Hospitality tax collections were up, in total, for the first three (3) months of the fiscal year.

C. Schedule of FY 2009 Ending Fund Balances

Treasurer Suggs stated that this was a schedule that depicts the June 30, 2009 fund balances and indicates the designations and reservations of funds; also shown are the effects of the vote taken at the September City Council meeting to leave two hundred fifty thousand dollars (\$250,000) in the General Fund, to transfer two hundred fifty thousand dollars (\$250,000) to the Capital Projects fund and to transfer thirty-nine thousand seven hundred thirty-three dollars (\$39,733) to the Disaster Recovery Fund. Among the topics that were discussed were the goal of maintaining thirty percent (30%) of annual expenditures in the General Fund and the need to dredge at the marina in FY 11.

5. Old Business

A. Continued Discussion of Future Use of Year-end Gains

Treasurer Suggs directed members' attention to a memo from the meeting packets headed "City of Isle of Palms/Discussion of Potential Projects;" the top half of the memo again discussed the actions Council had taken at its last meeting. The lower half of the memo was dedicated to explaining the City Administrator's and City Treasurer's position on the use of the FY 09 gains and to listing possible uses of these funds that have been brought up over recent months.

Following discussion, the Committee agreed to take no action, beyond what has already been taken, regarding the FY 09 gains, and Mayor Cronin suggested that the Committee review an updated fund balances schedule every quarter and continue to prioritize the best use of these monies.

B. Newspaper Advertising

Chairman Taylor stated that he had asked that this be added to the Agenda and re-stated his position that as much advertising as possible should be funneled through the City's website; he referenced the information that had been provided to the Committee in August that showed the various reasons that the City placed advertising in local newspapers.

Administrator Tucker noted that all department heads have been counseled about reducing advertising costs and that the *Post and Courier* was being used to meet the City's legal advertising requirements.

Councilwoman Bergwerf distributed a handout that indicated the various advertising costs charged by the local newspapers, as well as the circulation numbers on the island of each. She agreed that the City should use the *Island Eye* and *Moultrie News* as often as possible due to the obvious cost savings.

Councilman Loftus, who initiated discussions about the City's advertising, expressed his opinion that the City must make the most effective use of the technology at hand; he suggested that further discussions be postponed until after June 30, 2010 when Council could see the results of the staff's efforts to cut costs.

C. Update on Paperless Initiative

Chairman Taylor reminded the Committee that funds had been included in the budget to purchase two (2) laptops for Council members if needed; he asked if anyone had come forward to acquire one (1). When the Chairman asked if anyone, other than himself, had requested to receive information from City Hall electronically, no one on the Committee, other than Councilman Buckhannon, spoke up saying that he had received the data electronically in the past. Members agreed to consult with the City Clerk on an individual basis to determine the information to be forwarded to each electronically.

6. New Business

A. Recommendation from the Public Safety Committee to Award a Contract to UCS for a Training Pit/Crash Pad for the Fire Department in the amount of \$2,232.42.

Administrator Tucker stated that this was a safety device for use by the Fire Department in repelling training, and that it was an unbudgeted item. Councilman Buckhannon reported that Chief Graham had assured the Public Safety Committee that savings could be found in the training budget to cover the cost of this equipment.

MOTION: Councilman Loftus moved to award a contract to UCS in the amount of \$2,232.42 for a training pit/crash pad for the Fire Department; Councilwoman Bergwerf seconded and the motion PASSED UNANIMOUSLY.

B. Recommendations from the Accommodations Tax Advisory Committee

1. \$7,500 to Spoleto USA 2010

Administrator Tucker stated that Spoleto's request for the 2010 season had been for fifteen thousand dollars (\$15,000), the amount the City approved for the 2009 season, but the Accommodations Tax Advisory Committee had approved half that amount, or seven thousand five hundred dollars (\$7,500). Treasurer Suggs noted that the Tourism-related revenues were

projected to be fifteen percent (15%) less for FY 10 than for FY 09, but revenues are currently running less than ten percent (10%) short of FY 09.

Stephenie Steele, Grant Writer for Spoleto, was present to answer any questions the Committee members might have. Councilman Piening asked how many Spoleto attendees stay at the Isle of Palms when attending the festival; Ms. Steele said that the information could be available by the end of the year, but she presently did not know.

Councilwoman Rice praised the Spoleto festival for being the quality event that it is and noted that it drew a quality of visitor to the Isle of Palms that tended to return.

MOTION: Councilwoman Rice moved to approve \$15,000 to Spoleto USA for the 2010 season; Councilwoman Bergwerf seconded.

Chairman Taylor asked Ms. Steele how contributions from the City and County of Charleston had been affected by the slow economy; she responded that Spoleto would receive less than ten thousand dollars (\$10,000) from Charleston County and a fifteen percent (15%) reduction from the City of Charleston.

Councilman Buckhannon took exception with the fact that, in the light of the slow economy, the Spoleto budget was significantly higher than the previous year. He stated that he would have offered a motion of twelve thousand five hundred dollars (\$12,500). Ms. Steele was quick to point out that the increases were all program-related in an effort to build the event back up to the level of past years; she also related several cost-cutting measures the festival has made regarding personnel.

Call for the Question: The motion PASSED on a vote of 7 to 1 with Councilman Buckhannon casting the negative vote.

2. \$1,000 to the Fort Sumter-Fort Moultrie Historical Trust for Speakers at Symposium to Commemorate 150th Anniversary of Secession.

Administrator Tucker stated that there was no one present to answer questions about this event for the Committee although persons were notified of the meeting. The funds were being sought to fund speakers for a program to be presented December 2-4 at the Citadel that "will focus on the presidential election of 1860 and various events leading up to secession."

MOTION: Mayor Cronin moved not to approve \$1,000 to the Fort Sumter-Fort Moultrie Historical Trust; Councilman Piening seconded and the motion PASSED UNANIMOUSLY.

D. Award of Sole Source Contract to Zambelli Fireworks in an amount not to exceed \$25,000 for July 4th, 2010 Fireworks Display.

Administrator Tucker noted that this expense was included in the budget for State Accommodations Tax, but was coming before this Committee because the contract exceeds ten thousand dollars (\$10,000). She referenced the memorandum from Chief Graham that

commented on Zambelli's safety record on the island over the past ten (10) years as a reason to award the sole source contract.

MOTION: Councilwoman Rice moved to award a sole source contract to Zambelli Fireworks in an amount not to exceed \$25,000 for the July 4th, 2010 fireworks display; Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Marina Tenant Rents – Administrator Tucker reported that all marina tenants were current with their rent payments and were making regular, timely payments toward additional rents due.

Administrator Tucker reminded the Committee that the City Council meeting would follow the November Ways and Means Committee meeting. Recreation Director Page noted that, should there be a runoff related to the City's upcoming election, it would occur on Tuesday, November 17 as well; the Administrator stated that the meeting could be re-located if that occurred.

8. Executive Session – not required

9. Adjourn

MOTION: Councilman Buckhannon moved to adjourn at 7:18 p.m.; Councilman Duffy seconded and the motion PASSED UNANIMOUSLY

Respectfully submitted:

Marie Copeland
City Clerk