

WAYS AND MEANS COMMITTEE
5:45 p.m., Tuesday, June 17, 2008
Council Chambers, 1207 Palm Boulevard
Isle of Palms, South Carolina

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, June 17, 2008 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present for the meeting were Chairman Taylor, Council members Bettelli, Buckhannon, Duffy, Loftus, Piening, Rice and Mayor Sottile, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. The absence of Councilman Cronin was excused; there was a quorum to conduct business.

1. Councilman Taylor called the meeting to order and acknowledged that the press and the public had been duly notified 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 May 20, 2008 as submitted; Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.

Chairman Taylor took a moment to congratulate Mayor Sottile on his successful primary run for the South Carolina House of Representatives.

3. Citizens' Comments

Doug Thomas, 5813 Back Bay Drive, asked if there were a way that the Chairman and Administrator could have microphones that would amplify their voices so that the public could hear their comments. Since they face the Committee members during the meeting, it was difficult for residents who attend the meeting to hear all they say. The Chairman agreed to look into the matter to see if anything could be done.

4. Financial Statement – Treasurer Suggs

The financial statement for review was for May 2008, the eleventh month of the fiscal year. Treasurer Suggs commented that she had reviewed each of the revenue and expenditure items in the General Fund prior to the meeting in an attempt to project how the City would end the fiscal year. The result being that, despite a shortfall in overall revenues, the City could see a small surplus (\$100,000 to \$200,000) because expenditures would be less than budgeted as well. The Treasurer reported that the other City funds would end the year a little ahead of budget based on her examination today.

On the Beach Restoration spreadsheet, Treasurer Suggs pointed out that the City had in excess of \$7.1 million and that the first billing from Weeks Marine for \$2.4 million had been paid.

Mayor Sottile asked if all of the funds had been collected for the Beach Restoration project; the Treasurer stated that they had. Administrator Tucker added that the money had been received from all private participants, but the City had not yet requested the funds from Charleston County. The participation by Charleston County was contingent upon participation by all of the other stakeholders; since that has happened, the City could proceed with its request.

Treasurer Suggs reported that she had been able to negotiate an interest rate with BB&T comparable to the Local Government Investment Pool – 2.3% through July 31, 2008 – for the Beach Restoration Funds.

In addition to the Weeks' billing, the Treasurer explained that the payroll charges in the Beach Restoration fund were for the daytime monitoring by the Turtle Team and the monitoring by the Police Department officers who were paid at an overtime rate. The May expenses were only for a couple of days, but the costs for June would be substantially higher, plus no invoices have been paid for REMSA's services for nighttime monitoring.

Administrator Tucker took this opportunity to inform the Committee on the progress being made at the beach restoration sites. Both Reach C and Reach B have been completed, and Weeks is moving into Beach A that is adjacent to Grand Pavilion. She reported that the sediment has been good and that turtle activity has increased.

With that information in mind, Mayor Sottile asked if there was a possibility that the work would be completed prior to the July 31 deadline; the Administrator responded that it was likely that Weeks would finish ahead of schedule assuming that there were no unanticipated problems. She did advise the members that they could expect to get calls from residents in Reach A because this area has not experienced the erosion crisis and because the residents probably did not perceive the need. Administrator Tucker stated that the work in this area was an effort to make the beach look as natural as possible – the “new” beach indistinguishable from the “old” beach. (Project maps are attached.)

On the subject of the one million dollar State restoration grant that the City had been awarded, Councilman Duffy asked if any special methods had been put in place to monitor the section of beach from 53rd to 57th, for which the grant could be used, to know exactly what the expense was for restoring that section. Administrator Tucker explained the stipulations on the money as being (1) the City cannot obligate any

money prior to the grant award and (2) the money can only be used in areas that have public access.

She reported that she has not yet received the grant document; therefore, she has been unable to negotiate with OCRM. The Administrator expressed that this source of money probably was not going to pay for this restoration project; she did suggest the possibility of generating a change order to take an area out of the existing contract and write a new contract using the grant funds toward the new contract. Administrator Tucker stated that there was a chance that the grant money could be used toward the follow-up activities. In addition, the Wild Dunes Community Association has a meeting scheduled for next week, and they could discuss additional public access to the beach.

The second spreadsheet was for the Public Safety Building; Treasurer Suggs reported that there has been very little activity through May 2008.

5. Old Business - none

6. New Business

Recommendations from Real Property Advisory Committee relative to the marina site:

1. Reimbursement Resolution related to bulkhead replacement.

Administrator Tucker recounted to the Committee that this could be the fourth or fifth such document to come before them and reminded them that the bulkhead replacement financing would not be finalized until January 2009. With a start date of September 2008, the City would begin to incur costs very soon and the City wanted to be in a position to reimburse itself for the expenses associated with the bidding and awarding of the contract; therefore, there was the recommendation for the Reimbursement Resolution indicating that these expenses would be eligible for reimbursement.

MOTION: Councilwoman Rice moved to approve the Reimbursement Resolution for expenses for the bulkhead replacement; Councilman Loftus seconded.

Councilman Duffy recalled that the City has approximately \$1.7 million set aside for the bulkhead replacement and asked if those funds would be used toward the expenses until financing was completed. Administrator Tucker agreed that the City would begin to spend from its own source of funds, but, once the project was completed, the City would want to be able to reimburse itself for near project

expenses if there was a need to do so. She agreed that there was the possibility that timing would be such that none of the expenses would need to be reimbursed, but without this resolution, none of the expenses would be eligible.

Councilman Duffy then asked if the City's funds would be used before bond funds, and the Administrator answered that they would. She recalled that the total cost of the bulkhead replacement was short of three million dollars (\$3,000,000); the City had set aside \$1.7 million and would borrow the balance.

Call for the Question: The motion PASSED UNANIMOUSLY.

2. Award of Sole Source Contract for Project Oversight to Jon Guerry Taylor in the Amount of \$58,750.

Administrator Tucker informed the Committee that the City had used Jon Guerry Taylor as the design engineering consultants for the bulkhead project, and, associated with construction, the City would need an engineering oversight firm. She noted that to go out on an RFP at this time would likely delay the start of the project, and, of course, there would be the time, and associated costs, as a new firm familiarized itself with the project. The Administrator commented that the proposal of \$58,750 from Jon Guerry Taylor was consistent with the oversight costs discussed in the preparation of the 2008-2009 Budget.

MOTION: Councilwoman Rice moved to award the contract for engineering oversight of the bulkhead replacement project as a sole source provider at \$58,750; Councilman Duffy seconded and the motion PASSED UNANIMOUSLY.

3. Joint Venture with Barrier Island EcoTours, Marina Market and Marina Joint Ventures for \$3,000 for Business Operations on Marina Market deck.

Administrator Tucker reminded the Committee that this item had come before them at the last meeting and that it was an effort to provide a space from which EcoTours could operate. The Administrator pointed out that the members had been provided with a rough sketch of what has been constructed. She reported that discussions had taken place at the Real Property meeting of a mechanism to be put in place that would avoid any tenant at the marina site from requesting City financial participation in projects after the fact. This instrument would set in motion the process whereby any request would go before the Real Property Committee then go before Ways and Means and City Council in advance. She

then introduced Brian Berrigan, Marina Manager and managing partner of Marina Outpost.

Mr. Berrigan stated that the enlarged deck actually served two (2) purposes, i.e., a common area for the marina and a business space for Barrier Island Ecotours; he stated that, because the deck was a common area, he hoped that the Committee would agree to participate. He announced that he hoped to surround the Marina Market with a deck in the future and that the City would share in the cost of its construction.

By way of an apology, he expressed regret at not attending the May Ways and Means meeting to fully explain the plan and for proceeding with the deck without receiving the Committee's approval.

MOTION: Mayor Sottile moved to participate in the amount of \$3,000 in the cost of the deck expansion at the Marina Market; Councilman Bettelli seconded.

Councilman Taylor repeated to Mr. Berrigan that acquiring City financial participation in any marina project was a three (3) step process, i.e., Committee, Ways and Means and City Council.

Councilwoman Rice, who is also Chairwoman of the Real Property Advisory Committee, stated that the expanded deck was a wonderful improvement and was enjoyed by many people every evening. She also reported that there had been discussions with Jon Guerry Taylor about the deck, and they had stated that the new deck would not impede any work related to the bulkhead replacement.

Councilman Loftus commented that the City was not following sound accounting principles; he stated that the Committee should not be approving something that has been in place for several weeks at this point. He voiced his opinion that tight controls needed to be put into place.

Councilman Bettelli reiterated the point that gaining approval was a three (3) step process and, in the future, if something were to be built without approval, any City participation was likely to be denied.

Call for the Question: The motion PASSED UNANIMOUSLY.

7. Miscellaneous

The 4th of July Fireworks are expected to take place between 9:15 and 9:30 p.m.

The next meeting: 5:45 p.m., Tuesday, July 15, 2008.

8. Executive Session - none

9. Adjourn

MOTION: Having completed the business set before the Committee, Councilwoman Rice moved to adjourn at 6:20 p.m., Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY

Respectfully submitted,

Marie Copeland
City Clerk