

Ways & Means Committee
5:45 p.m., Tuesday, January 15, 2013

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, January 15, 2013 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Loftus, Stone, Thomas and Ward, Mayor Cronin, City Administrator Tucker, City Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Administrator Tucker called the meeting to order and acknowledged that the press and public were notified of the meeting in accordance with the Freedom of Information Act.

2. Election of Chair and Vice Chair

Councilmember Loftus nominated Mayor Cronin to serve as Committee Chair; Councilmember Bergwerf seconded the nomination.

Councilmember Carroll nominated Councilmember Ward as Chair; Councilmember Buckhannon seconded.

A vote was taken in order of nomination; Mayor Cronin was elected Chair on a vote of six to three (6 to 3).

For the position of Vice Chair, Councilmember Bergwerf nominated Councilmember Ward, and Councilmember Bettelli seconded. The vote was unanimous to elect Councilmember Ward.

3. Approval of Previous Meeting's Minutes

MOTION: Councilmember Loftus moved to approve the minutes of the regular meeting of November 17, 2012 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

4. Citizens' Comments – Presentation from Bidders of Municipal Parking Lots Lease

Administrator Tucker reported that the City had received four (4) bids for the parking lots lease; the Real Property Committee had moved to have the bidders make a presentation to Council.

Brett Jones stated that he owned a cleaning franchise from 1995 until 2004 at which time he sold the business and moved to the Isle of Palms; he has been employed by the Windjammer as the Senior Manager and Talent Buyer for the past nine (9) years. He indicated that he works from 6:00 p.m. until closing at The Windjammer, so he would be available to be on-site at the parking lots every day. He stated that his objective was "to have a friendly, punctual team that works in a safe and efficient manner to fill the lots with Front Beach guests, hotel guests, locals and other island hospitality workers." Should he be awarded the contract, he listed a number of activities he would undertake to make the operation run smoothly for his workers, the Front Beach businesses and himself as the lessee; he indicated that he would like to add ice and soda machines and beach lockers next year to add to the profitability of the lots. He stated that he was considering coupons via Facebook to encourage island guests to park in the lots. Mr. Jones' handout is attached to the historical record of the meeting.

Bill Schupp noted that he has lived on the island for twenty-eight (28) years and that he has worked in the parking lots for fourteen (14); he initially worked with Rick Linville when he was the lessee and, for the past four (4) years, as the lessee himself. He stated that he offers the City experience with the lots, a positive track record with the lots, fiscally responsible management of the lots and thirty-nine (39) years of management experience. Mr. Schupp stated that his staff would consist of four (4) young people who have a combined total of twenty-five (25) years' experience working with Mr. Schupp in the City's lots, and, being retired, he is at the lot a large part of the day. A copy of his comments is attached to the historical record of this meeting.

Jeff Evans represented Isle of Palms Beach Club; he distributed an informational handout as he began his presentation (copy is attached to the historical record of the meeting). He prefaced his comments with a personal statement of gratitude for the work members of Council give to the City. He stated that the IOP Beach Club was focused on a marketing plan. Historically the parking lots are filled to capacity only a few times over the summer, other than holidays like July 4th and Memorial Day; he sees this as an opportunity to get more utilization, therefore, more revenue from the lots. He remarked that their idea is to offer highly desirable incentives to entice visitors to want to use the City parking lots; their "marketing efforts will focus primarily on folks with disposable income in the Charleston area." The enticement begins with a free membership in the IOP Beach Club in exchange for the applicant's name and email address; as members they will have opportunities for discounts to all participating island merchants, a deal-of-the-week for those who park in the lots and, finally, monthly drawings for gas cards, an iPad, etc. to encourage those who park in the lots to become members. Mr. Evans stated that the IOP Beach Club is committed "to doing everything it takes to provide a great experience for customers and to nurture a hassle-free relationship with the City." In summary, Mr. Evans stated that expenditures of twenty-five thousand dollars (\$25,000) annually toward a marketing program and one thousand to twenty-five hundred dollars (\$1,000-2,500) in improvements to the properties each year yield the highest return for the City.

Palmetto Parking was represented by Don Moore, Manager, Byrum Stokes, Vice-President and Mark Dobson, Operations Manager; they made a PowerPoint presentation, and the text is attached to the historical record of the meeting. They stated that they have over one hundred (100) properties that they operate in South Carolina – over four thousand (4,000) spaces in downtown, West Ashley and Mount Pleasant. Their mission statement is "to provide an honest, local, service-based alternative to national parking conglomerates while providing a professional, convenient parking experience." Mr. Dobson stated that Palmetto Parking's personnel are trained to get cars off of Front Beach and into the parking lots; they described their staff as uniformed, clean-cut and well-groomed. Should an issue arise at the lots, a manager will be available to resolve the problem immediately; if he is unable to do so, the person will be contacted within twenty-four (24) hours by upper management at Palmetto Parking. They will initiate meetings with City Council at least three (3) times a year to keep Council updated on the parking program and to address any questions or concerns they may have. Mr. Dobson indicated that Palmetto Parking would team up with Front Beach businesses on a coupon program that would put beach visitors in their businesses before leaving the island. In conclusion, Mr. Moore stated that Palmetto Parking has "the staff, infrastructure and experience to properly manage Isle of Palms' parking operations as a valued partner."

Brian Hellman of Hellman Yates, Jack Mitchell of AT&T and Don Slowek of AT&T were present to address the Committee and answer questions about replacing the IOP Water and Sewer Commission's water tank with a monopole. Mr. Hellman stated that he was present to represent AT&T, T-Mobile, Cricket, Sprint and Conterra broadband on a proposal to construct a monopole for their antenna, which are presently located on the water tower. The tower would be located on the same property as the water tank and adjacent to it. According to Mr. Hellman, the new monopole is essential because

- there is no space remaining on the water tank for additional antennae,
- carriers could make regular improvements to their systems for better service to their customers, and
- the elimination of the expense to the Water and Sewer Commission for continuing maintenance of the water tank, which is no longer needed for their operations.

The ground equipment that is already in place on the site will remain; the only addition would be of trees to buffer the site. The pole itself is a one hundred sixty foot (160 ft.) monopole which does not require lighting at night. The cabling will run internally through the tower to the antennae.

Mayor Cronin asked if the tower could be re-located to another City-owned property, i.e. the lot behind the Public Works' facility; Mr. Hellman explained that the relocation the ground equipment made that cost prohibitive; in addition, the carriers are bound by leases with the Water and Sewer Commission

5. Financial Statement – Treasurer Suggs

A. Financial Statement

In reviewing the financial statement for December 31, 2012, the City is half way through the fiscal year. Treasurer Suggs pointed out the following highlights:

- General Fund cash is at an expected level for this time of year;
- The Capital Project Fund is over budget due to the un-budgeted purchase of Live Oak Park in December with the reimbursement from Greenbelt Funds deposited in January; (For accounting purposes, the fund will reflect as over budget for the remainder of the year even though the City was made "whole" with a full reimbursement.)
- General Fund Revenues are substantially lower than FY12, but Charleston County has advanced the City nearly one million dollars (\$1,000,000) in January; and
- Business Licenses are due January 31, 2013.

General Fund revenues are at nineteen percent (19%) of budget while General Fund expenditures, with a target of fifty percent (50%), are at forty-three percent (43%) of budget for all departments.

Councilmember Stone asked what made up the revenues classified as "From the State?" The Treasurer stated the revenue is composed of State Aid to Subdivisions, the Local Government Fund, Sunday sales permits and the percentage of State Accommodations Taxes that go to the

General Fund. He indicated that he was interested in knowing if the revenue was predicted to trend higher; Treasurer Suggs said that these revenues came in quarterly, but predicting increases is difficult to do. Mayor Cronin added that State Aid to Subdivisions is based on population, and the City's population has decreased according to the 2010 census.

B. Tourism Schedules

Municipal Accommodations Fees are nine percent (9%) greater than FY12.
State Accommodations Taxes have only had one (1) disbursement this fiscal year.
Charleston County Accommodations Tax Pass-through has not had a disbursement for FY13.
Hospitality Taxes continue to trend up; the City is nineteen percent (19%) higher than FY12.

Councilmember Ward asked the Treasurer whether she was expecting a material reduction in Hospitality Taxes with the closure of three (3) island businesses in December, i.e. The Red & White, Huck's and Dominoes. Treasurer Suggs stated that Hospitality Taxes are paid on prepared food and beverage; therefore, the contribution from The Red & White would have been nominal, and a new business has been announced replacing Huck's, but she did not think the tax from Dominoes would be significant.

C. Project Status

The only activity in drainage project was more engineering and design from Civil Site Environmental.

The Beach Restoration project had no activity since the last report.

6. Old Business – None

7. New Business

A. Public Works Committee recommendation for the award of a contract to Sweeping South for street sweeping in the amount of \$12,060.

MOTION: Councilmember Ward moved to award the contract as stated; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

B. Real Property Committee

1. Recommendation for authorizing the City Administrator to sign Board of Zoning Appeals' request for Special Exception for 160 foot mono-pole to replace IOP Water and Sewer Commission water tower.

MOTION: Councilmember Stone moved to authorize the City Administrator to sign Special Exception as stated; Councilmember Buckhannon seconded.

Administration Tucker recounted that, before Christmas, Council had authorized the erection of temporary poles to house the communications antennae while the Water and Sewer Commis-

sion performed necessary maintenance on the water tank. Since the City owns the land where the tank is located, the group who spoke to the City earlier must have the property owner's (the City's) signature on the Special Exception request to the Board of Zoning Appeals to construct a tower one hundred sixty feet (160 ft.) tall. The passage of this motion will initiate a process that, if approved by the Board of Zoning Appeals, will result in the construction of the monopole and the removal of the water tank. Administrator Tucker questioned that the leases, of which Mr. Hellman spoke earlier, would exist only as long as the water tank was in place; the Administrator suggested that a communications tower was not necessarily attendant to a water and sewer operation.

Mayor Cronin asked Attorney Halversen if she had an understanding of the leases between the Water and Sewer Commission and the cell providers and how the water tank figures into them. Attorney Halversen stated that she has started to look into it; she indicated that the main question now was the Water and Sewer Commission's authority to accept ownership of a pole that would be solely for the purposes of communication, not the operation of the Water and Sewer Commission. The City Attorney said that she had not yet had the opportunity to see the leases between the Commission and the carriers.

In providing history, Administrator Tucker explained that, originally, the Water and Sewer Company operated as private entity related to JC Long and The Beach Company. The City sold bonds to purchase the Water and Sewer Company and owned and operated it for a period until a referendum decided that the Water and Sewer Commission should be created to operate it. They operate under specific authorities determined by the state statutes.

Councilmember Buckhannon suggested that the Committee could not make an informed decision until Attorney Halversen had completed her review.

George Gross, General Manager of the Water and Sewer Commission, attended the meeting to answer questions that might arise. Responding to Mayor Cronin, Mr. Gross said that the Commission's attorney was Lucas Padgett with the McNair Law Firm. Mr. Gross agreed with Councilmember Buckhannon that many issues need to be reviewed carefully before any decisions are made; he stated that, under state law, commissioners of public works are charged with operating and maintaining facilities. Therefore, the City cannot tell the Commission what is going to be done no matter who owns the property.

Mayor Cronin sought confirmation that, if the monopole is constructed, the Commission has no use for the water tank; Mr. Gross stated that "the tank is superfluous; it does provide water in an emergency, but it is not necessary."

Mr. Gross stated that he would make the leases with the carriers available to the City Attorney.

Councilmember Buckhannon remarked that another factor for consideration is the life span of the tank and what the return on investment will be with the improvements are made. Mr. Gross countered that the revenue from the carriers more than pays for the upkeep of the tank, and what is left over goes toward capital projects to improve the infrastructure.

Councilmembers Stone and Buckhannon withdrew, respectively, the motion and second.

Councilmember Loftus expressed his understanding that this was a time sensitive issue; Mr. Gross said that the work to the tank must be done in the fall; if given a "go ahead" this evening, nothing would happen until the fall.

Councilmember Carroll commented to the fact that City had originally been apprised of the change in plan in November, but it was only coming before Council in late January. The City Administrator explained that this was an item of business for the Real Property Committee and committees did not meet in December; the first meeting of the Real Property in 2013 was January 10th.

Mr. Hellman stated that, although the work on the water tank will take place in the fall, the antennae would have to be moved before the fall in order for the work to begin, leaving the Council with two (2) options. If the tank is to remain, temporary towers could be installed as previously discussed to house the antennae during the refurbishment work. On the other hand, if the mono-pole is to be constructed, six (6) months are more are needed to get the necessary permits and approvals, as well as the ordering of upgrades to the equipment to be installed. Mr. Hellman added that it could likely take another six (6) months for the carriers involved to install their equipment on the monopole. With these facts in mind, time is of the essence for the carriers.

Councilmember Stone asked Mr. Gross if there was a projection for the life of the water tank; Mr. Gross responded that, once the structural work is completed, the tank will be good as long as the Water and Sewer Commission continue to keep a coat of paint on it. In addition, removal of the lead paint will make it easier to make structural repairs in the future.

Councilmember Bettelli questioned how the use of the temporary towers would affect coverage on the island; Mr. Hellman answered that the temporary towers are lower, so they will affect coverage in the fringe areas of the island. Mr. Slowek added that the temporary towers, called cells on wheels or COWS, would house temporary equipment from the carriers with connections to the equipment already installed on the property. Because the COWS are lower, the antennae are lower, and the water tank becomes a shielding factor for the antennae. According to Mr. Slowek, the Connector would not have coverage and some coverage will be lost for the remainder of the summer because the tank will block the RF signal.

Councilmember Carroll recalled that Council, the Water and Sewer Commission and the carriers were recently in complete agreement with what should happen; he wanted to know what has changed in the interim. Mr. Hellman responded that a better plan had been devised to build the monopole for a better long-range solution.

2. Consideration of Parking Lots Lease

Mayor Cronin asked to hear from the Real Property Committee regarding their deliberations on the bids from the four (4) entities that made presentations earlier.

Councilmember Stone recounted that one (1) of the bids submitted was complete, and it was from Palmetto Parking; the other three (3) were missing various pieces. Two (2) of the bidders

attended the Real Property meeting and were allowed to speak to the Committee regarding their bids and plans.

In the course of the discussion, the Committee discerned that there may be additional information needed from all four (4) bidders and asked that each bidder make a presentation at this meeting to address the issues that were not necessarily provided in the responses to the RFP. According to Councilmember Stone, the Ways and Means Committee can offer the contract to the highest bidder or the City can modify the bid and offer it again in hopes of receiving complete bid responses.

MOTION: Councilmember Stone moved to submit the parking lot RFP for re-bid; Councilmember Loftus seconded.

Administrator Tucker noted that the time frame will be tight. Staff could refine the RFP re-emphasize the expectation that all bidders are expected to respond to everything requested and that the award will not be based on money alone.

Referencing the comments that all of the bids were not complete, Councilmember Ward asked if the missing information had been provided in the oral presentations at this meeting; the Administrator responded in the negative. The Councilmember then asked for an example; Administrator Tucker noted that only one (1) bidder had detailed the procedures for handling complaints. In her opinion, that is an important factor; if the City is not going to manage the lots, then it must have someone with a very good process for preventing complaints or handling them once they occur. Councilmember Ward asked if there was anything else; to which Councilmember Stone answered that the behind the scenes investments are different – although not requested in the RFP.

Councilmember Ward questioned the legality of proceeding tonight with an award or has the City not met its obligation since it has not received complete, written responses from all vendors. The Administrator indicated that, under the procurement code, the City can waive an irregularity if it chooses to do so and award a contract tonight. He then questioned that the vendors would have time to gear up for a March 1 opening date.

Councilmember Bettelli re-stated his understanding that there would not be non-tangible variables included in the RFP going forward; he continued that, if the vendor has not managed a parking lot before, what assurances are there that it will work? He repeated that the City has issued an RFP, received four (4) bids, but now the City is going to shuttle them, because the bidders were incomplete in their responses, and have a re-do. In his opinion, this action does not reflect well on the City.

VOTE: The motion PASSED on a vote of 5 to 3 with Councilmembers Ward, Thomas, Bettelli and Buckhannon casting dissenting votes.

7. Miscellaneous Business

Councilmember Loftus asked for an update on City tenants; City Administrator indicated that, for one (1) tenant, rent for December was paid today with a promise to catch up January by the end of the month.

Next Meeting Date: 5:45 p.m., Tuesday, February 19, 2013.

8. Executive Session – not necessary

9. Adjourn

MOTION: Councilmember Bettelli moved to adjourn the meeting at 7:10 p.m.; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk