

## **WAYS and MEANS COMMITTEE**

5:45 p.m., Tuesday, June 18, 2013

The Ways and Means Committee held its regular meeting at 5:45 p.m. on Tuesday, June 18, 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 Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Mayor Cronin 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 21, 2013 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments** – None

4. **Financial Statement** – Treasurer Debbie Suggs

A. Financial Statement

Treasurer Suggs noted that the auditors will arrive mid-August to begin their work on the FY13 audit and will be on-site for a couple of weeks.

The financial statements being reviewed at this meeting are through May 31, 2013, eleven (11) months through the fiscal year and with a target of ninety-two percent (92%). Revenues in the General Fund are eighty-eight percent (88%) collected, and expenditures in the General Fund are eighty-six percent (86%) expended. General Fund revenues are nine percent (9%) ahead of the same time period in FY12. The Treasurer reported that the budgets for Property Tax revenues and Local Option Sales Taxes have shown incorrectly on the financial cover sheets all year, but the total budget remains unchanged. The Property Tax revenue budget amount should be four million twenty eight thousand dollars (\$4,028,000) and Local Option Sales Taxes should be four hundred eighty-six thousand dollars (\$486,000). With this correction, Property Tax revenue is at one hundred four percent (104%) of budget and Local Option Sales Taxes are seventy-three percent (73%) collected. All license revenues, except Other Licenses, are one hundred percent (100%) collected; the items in Other Licenses, i.e. insurance and franchise fees, typically come in June. The City's total cash balance of two million five hundred twelve thousand dollars (\$2,512,000) represents thirty percent (30%) of annual General Fund expenditures. All departments, with the exception of Judicial, are below the target of ninety-two percent (92%) through eleven (11) months of the fiscal year.

Councilmember Loftus asked Treasurer Suggs to predict how the City would end the fiscal year, but she indicated that it was too early to make a prediction.

Councilmember Ward asked the Treasurer what the actual labor cost was for the Beach Services Officers; Treasurer Suggs responded that the cost was sixty-three thousand seven

hundred ninety-four dollars (\$63,794), which includes wages for six (6) officers, FICA and workers' compensation. Councilmember Ward noted that each individual officer receives approximately ten thousand five hundred dollars (\$10,500) for the summer; other costs associated with the BSOs are uniforms and equipment.

#### B. Tourism Schedules

Municipal Accommodations Fees have two (2) more months of revenue to be included in FY13 and are running seven percent (7%) higher than FY12.

For State Accommodations taxes, Treasurer Suggs reminded the Committee that the December quarter had included thirty-seven thousand dollars (\$37,000) that she was unable to reconcile and, as a result, has not been recognized as revenue. The Treasurer has been assured by the State that the money is revenue the City is due from on-line travel sites, like Orbitz and Travelocity; therefore, the amount will be included in revenue as of June, 2013. With the inclusion of those funds, State ATAX is three and six tenths percent (3.6%) higher than FY12.

Mayor Cronin indicated that all local governments are having issues with these on-line travel companies in (1) getting them to pay the appropriate amount and (2) paying to the proper jurisdiction.

The second payment from Charleston County for the County Accommodations Tax Pass-through will not be received until June.

Hospitality Tax collections for May were in-line with the same month last year, but a portion of May's collections were actually for April. The Treasurer indicated that revenues are declining due to the loss of a couple of restaurants, but she hopes revenue will rebound with the new restaurants opening. Through May, Hospitality Taxes are running three percent (3%) higher than FY12.

#### C. Projects Status

Expenses incurred for the Beach Restoration project were for the permit modification and reimbursables for Coastal Science and Engineering and for bank service charges.

Engineering expenses were paid to Civil Site Environmental for the Phase II drainage project.

For wayfinding signs and parking management, the City paid Stantec for consulting services and Turnkey Creative for sign fabrication and installation.

Councilmember Carroll asked when the next shore monitoring would take place; Mayor Cronin said it was to be done in July.

**5. Old Business**

**Consideration of Extending Hours for City Parking Lots and Kiosks**

Administrator Tucker noted that, when the City let out the RFP for the municipal parking lots, the City included the option of extending the hours; in tandem with that, staff recommended extending the hours of the parking kiosks. The subject was also discussed about this same time last year, but the Committee handling the kiosks did not favor extending the hours. When the contract for the lots was executed, the Committee decided not to exercise that option.

Part of the staff's recommendation for extending the hours is that the island seems to be getting an influx of people at 6:00 p.m. when the lots and kiosks go to no charge. Additionally, as the Committee is aware, the City has been experiencing some problems at Front Beach. Staff is of the opinion that extending the hours when visitors must pay to park will stop this influx of people arriving right at 6:00 p.m., a time when public safety personnel are involved with beach exodus traffic and with other public safety concerns. Staff is asking that the Committee re-visit the idea; implementation will only involve a minor modification to the parking lot contract, a change in the messaging on the meters that they are enforced until 8:00 p.m. and enforcement of those changes. Staff would like to extend the hours for paying to park at the Front Beach to find out whether it will help to control the crowds after 6:00 p.m. The Administrator informed the Committee that she had spoken with Mr. Schupp, and he did not foresee any problems with keeping the municipal parking lots open an additional two (2) hours. Additionally, the Administrator stated that she had spoken with the management of several of the Front Beach shops; despite being hesitant to sanction this action last year, they are alright with extending the hours.

**MOTION: Mayor Cronin moved to authorize staff to negotiate Mr. Schupps' contract to extend the hours of the parking lots to 8:00 p.m. and to extend the kiosk hours to 8:00 p.m. from now until Labor Day; Councilmember Carroll seconded.**

Mayor Cronin stated that there have been a number of difficulties at the Front Beach from a public safety standpoint and the City needs to control the crowds. The Mayor recounted that Mr. Schupp had told him before the meeting that, within ten (10) minutes of closing the parking lot on Sunday, twenty-one (21) cars rolled in and parked, and, in his opinion, none were on the island to have dinner in a Front Beach restaurant. The Mayor also commented on the person apprehended on the island on Sunday evening who was, by all accounts, in possession of a quantity of drugs and considerable cash and had been selling drugs on the beach. Mayor Cronin assured the Committee that the City will continue to have an increased police presence on the island.

Councilmember Carroll asked whether the City had gotten a good survey from the businesses regarding their endorsement of the extended hours; he expressed concern that this action will adversely affect the Front Beach businesses. The Administrator reiterated that she had spoken with shop owners who were in agreement; she did not speak to the bars and restaurants because people will go there either way. Administrator Tucker noted that some shop owners would argue that the people who are arriving after 6:00 p.m. are actually hurting business; one (1) business closed because they were so uncomfortable with the clientele entering their shop.

Mayor Cronin said that he had spoken with Bobby Ross at the Windjammer who said he understood why the City was taking this action.

Councilmember Loftus commented that the City strives to be a wholesome, family beach resort and questioned that, possibly, 8:00 p.m. was too early. Although he did not support extending the parking lot and kiosk hours in the past, he thinks it is imperative at this time and would support prolonging the pay-to-park hours to 9:00 p.m.

Mayor Cronin stated that he had chosen 8:00 p.m. based on daylight hours; he suggested that Mr. Schupp was reluctant to have attendants on-duty as dark approaches toward the 9:00 p.m. hour.

Councilmember Ward asked whether revenue versus expense projections had been done; Mayor Cronin and Administrator Tucker stated that no such projections had been prepared.

The Administrator explained that the BSOs are on duty until they are released from duty; they have duties involving the final beach sweep at dusk, in addition to monitoring the parking kiosks. Mayor Cronin stated that the BSOs are, typically, directing traffic at 6:00 p.m. to assist beachgoers as they exit the Front Beach area and the island.

Councilmember Ward commented that he had gone down to Front Beach a couple of Sunday evenings and had asked officers on duty what type of problems they were encountering; he was told that the problems are on the beach in the wee hours of the morning. He, therefore, stated that he was unsure what effect this change was going to make. He expressed concern about what residents are going to think and what the costs were going to be for the City; he indicated that he would support the motion tonight knowing that it was going to be for a limited time and would be discussed again in the September.

Councilmember Stone indicated that he was in favor of extending the hours, but he questioned what was going to be the measure of whether or not it was having the desired impact. Both the Mayor and Administrator responded that the measure was not financial.

Councilmember Buckhannon, on the other hand, said that it was financial to a certain extent. The people who are descending on the island after 6:00 p.m. are utilizing the island's beaches and parking accommodations, the City is responding to their calls for help, the City is cleaning up after them, i.e. the City is servicing them. The City, therefore, has a need for additional revenue to cover the expenses these people are creating by their demand for services while and after they are here.

Councilmember Buckhannon, too, indicated that he had been opposed to extending the pay-to-park hours, but that the circumstances are different this year and the City must adapt to it.

Councilmember Bettelli stated that the added parking lot revenue would be one measure of the effectiveness of the change.

Councilmember Loftus reiterated that tourism dollars are important to the viability of the community; if the City does not maintain its status of a premier family beach destination, the City

will lose in many ways. The City needs to maintain its image as a high quality, family beach resort. At some point after this program is initiated, he suggested that the City poll the Front Beach businesses for their feedback.

Councilmember Bergwerf commented that the patrol officers should provide valuable input on the efficacy of the program in a relatively short period of time.

Mayor Cronin said that this matter will be on the agenda in August to consider the results it produced.

**VOTE: The motion PASSED UNANIMOUSLY.**

## **6. New Business**

### **A. Discussion of July 4<sup>th</sup> Fireworks Display**

Administrator Tucker informed the Committee that the 2013 July 4<sup>th</sup> fireworks display will be the third in a three-year (3 yr.) contract; it is on the agenda tonight to get feedback for future fireworks displays. Discussions have taken place in the ATAX Committee's meetings and among island residents that there needs to be means of drawing people to the island in the off-season; people are going to come to the beach July 4<sup>th</sup> with or without fireworks. On a staff level, dialogue has occurred on whether it would be better to have multiple smaller displays in the course of a year during less busy times, but staff has not identified any alternate dates.

The City has been contracting with Zambelli's since 1999, and the Administrator remembers that there was another provider prior to then; originally the fireworks were done in and by Wild Dunes. If a change were to occur, it would mean altering a long-standing tradition.

Mayor Cronin commented that approximately twenty-five thousand dollars (\$25,000) is budgeted for the fireworks display and that the City incurs about another ten thousand dollars (\$10,000) in personnel costs for the day. Councilmember Ward iterated the amount budgeted as twenty-eight thousand seven hundred fifty dollars (\$28,750).

Councilmember Bettelli commented that it takes visitors hours to exit the island after the display, and he anticipates having a much larger crowd this year, increasing the exit time. He stated that he supports staff researching an alternate date.

Councilmember Bergwerf said she thought that the situation that occurred on Memorial Day changed many residents' minds regarding the fireworks display; she reported to asking every resident she has encountered for their opinion on continuing the fireworks, and the majority is ready to end them – the residents dislike the traffic and the intoxicated people on the beach.

On the other hand, Councilmember Loftus stated that it would be "un-American" to discontinue the July 4<sup>th</sup> fireworks displays; in his opinion, it is one of the best traditions at the Isle of Palms. He believes that residents accept the traffic problems. He concluded that he thinks the 4<sup>th</sup> of July tradition "is fabulous and is not in favor of making any changes."

Councilmember Ward state that he was in full agreement with Councilmember Loftus that the July 4<sup>th</sup> fireworks is a great island tradition; despite the inconvenience, he stated that he was opposed to any changes.

Councilmember Carroll joined the “no change” bandwagon; he stated that he thought that changing it would “light a powder keg.”

Councilmember Loftus added that ending the July 4<sup>th</sup> fireworks, in his opinion, would be a fiasco for the City, but he was supportive of another, smaller fireworks display at another time of year.

Councilmember Bettelli thought it could still be beneficial for staff to look into alternate dates since no decision will be made until after this year’s display.

Chief Graham remarked that the City gets a lot of volunteer help for July 4<sup>th</sup>, and that help is vital to the success of the day. The Chief recalled that, several years ago, funding for July 4<sup>th</sup> was reduced, eliminating the ability for the City to feed everyone who was working and doing away with the staff t-shirts. She thought it was very important to return to the practice of feeding everyone who works on July 4<sup>th</sup>. Mayor Cronin stated that funding would be found for a meal of hotdogs and hamburgers for all workers on July 4<sup>th</sup>, and Council overwhelmingly agreed.

Councilmember Stone asked the staff and ATAX Committee to explore other opportunities in the year for additional, smaller fireworks displays; he added that he was adamantly opposed to any changes to the July 4<sup>th</sup> fireworks display.

Councilmember Buckhannon suggested that, as the City was negotiating a new contract with Zambelli, staff explore the costs associated with smaller displays.

Mayor Cronin noted that the City needs to use the Sea Cabins’ pier as the staging area, and they have been less than happy the last couple of years due to the crowds and parking issues. Administrator Tucker stated that there may be other options for a staging area with a smaller event.

Speaking for Sea Cabins, Councilmember Stone stated that their issues are with the traffic since they are not in a position to hire security for a one-night event at the level needed; therefore, they have asked for assistance from the City. He indicated that, when asked, the Fire Department has been “extremely responsive, along with others” with cleaning up, which has been an issue with the debris that results from the fireworks display. He stated that the pier would be available to the City in the future

Councilmember Loftus reminded the Committee that, although the 2013 fireworks display will be the normal traffic disaster, future years should be considerably better since the County has approved the widening of the Connector on the Mount Pleasant side from Highway 17 to the Connector bridge.

**B. Award of a sole source contract to the Town of Mount Pleasant for \$55,000 in the FY14 budget for 10 parking kiosks**

**MOTION: Councilmember Stone moved to approve the kiosks purchase from the Town of Mount Pleasant in the amount of \$55,000; Councilmember Bettelli seconded.**

Councilmember Ward asked what the plan was for these kiosks and was told that they will replace the existing ones on Front Beach. He then commented that these kiosks were a part of the future plans for parking at Front Beach and that, following Councilmembers' meetings with Stantec, they will present a parking plan to the City. He then asked where the City was headed with parking on the island and how the beach management plan affected future parking plans. He then related how Wrightsville Beach, North Carolina solved its parking problems by turning parking over to a private company after installing meters on the island outside of residential areas and initiating a parking pass system for residents.

Councilmember Bergwerf commented that Sullivan's Island had considered contracting with a private vendor to handle their parking issues, and Administrator Tucker noted that the Planning Commission had also looked into the option when they were charged with arriving at a parking plan.

According to Mayor Cronin, the Wrightsville Beach story is similar to what Folly Beach has done; the issue with that solution for the Isle of Palms is putting meters in the state-owned rights-of-way. The Mayor suggested that, after the individual meetings with Stantec, Council get back together and hold another workshop dedicated to parking.

Councilmember Loftus asked when the City installed the kiosks on Front Beach; Treasurer Suggs researched and reported that they were installed in 2004. The Administrator stated that they were scheduled for replacement in 2015; to which Councilmember commented that they were being taken out of service a year early. He noted that the kiosks are still functioning, so he questioned why they were being replaced now when they continue to have a useful life; in addition, he questioned that, with the speed with which electronics are changing, this purchase may not be in the best interest of the City. He indicated that, if the City does not buy these used kiosks, it should go out for bid for the "latest and greatest" technology.

Councilmember Stone voiced his understanding that the City was experiencing constant maintenance issues with the Front Beach kiosks and that they will not continue to be functioning until the scheduled replacement in 2015. He added that he thought the Mount Pleasant units were only two (2) years old and were being offered at a greatly reduced price even with the added expenses of programming, installation, etc.

Mayor Cronin explained that the more reliable kiosks to be removed will be refurbished as needed and placed in other areas where needed.

Continuing, Councilmember Stone stated that he did not think that there was anything in future parking plans to change the pay-to-park process at the Front Beach. He expressed his support for buying the kiosks from Mount Pleasant.

Treasurer Suggs reported that when the kiosks were purchased in January of 2004, the City purchased ten (10) for ninety-three thousand dollars (\$93,000); a used unit was purchased in 2011 for six thousand five hundred twenty-three (\$6,523).

Councilmember Bergwerf reminded the Committee that these units will take credit cards which will eliminate the shop owners from constantly being asked for change to feed the kiosks; despite these units being used, they are an improvement over what is presently in place.

Administrator Tucked explained that, in building the FY14 budget, the plan was to purchase these used kiosks, not new ones; if the City were to issue an RFP for used kiosks, the City would have no idea where or how or how long the units being quoted were used, unlike these units.

The Administrator further explained that this item and the one to follow were on the agenda for approval as contracts in excess of ten thousand dollars (\$10,000) so that staff can move forward to have them in service as quickly as possible. Administrator Tucker stated that she was under the impression that, by including the money in the FY14 budget, City Council supported the purchase from Mount Pleasant. The Administrator clarified that staff's goals have been to try to do all of the things the City can to try to manage the situation of the crowds the best way possible; this and other decisions are the mechanism the City's staff uses to accomplish these goals.

Councilmember Loftus countered that there had not been any type of "deep analysis" of this purchase when it was brought up for inclusion in the FY14 budget, and, he agreed that accepting credit cards would be nice, but the City has not done so up to this time and postponing it a little longer will not hurt. In agreeing with Councilmember Carroll, he stated that these units could be obsolete in two (2) years at the rate that technology is changing; in his opinion the City is moving too fast on what appeared to be a good deal but really is not.

Councilmember Carroll reported that he had "googled" a recent *Post and Courier* article that indicated the parking meters were four (4) years old and that Mount Pleasant Mayor Swails had stated needed forty thousand dollars (\$40,000) of maintenance.

Councilmember Bettelli stated that, in his opinion, the City was taking a giant leap forward in technology with these kiosks that will take credit cards and that, since the City does not use the kiosks year-round, it does not need "the latest and greatest."

**VOTE: The motion PASSED on a vote of 5 to 4; Councilmembers Carroll, Loftus, Thomas and Ward cast dissenting votes.**

**C. Award of a sole source contract to Southeastern Parking for \$24,925 in the FY14 budget for parts, programming, credit card set-up, installation, removal of existing kiosks and 1 additional kiosk.**

**MOTION: Councilmember Bettelli moved to award the sole source contract to Southeastern Parking as stated above; Councilmember Stone seconded.**



Administrator Tucker detailed the total as follows:

Parts	\$5,000
Programming	1,050
Credit card set-up	500
Installation	8,250
Removal	4,125
Demo kiosk	6,000

Councilmember Carroll remarked that Councilmembers are having individual meetings with Stantec personnel this week and queried that the City needed to act so quickly in hope of getting other options from Stantec.

Councilmember Bettelli reiterated what had been said earlier that no parking changes were planned for Front Beach; parking solutions offered by Stantec are for other parts of the island.

**VOTE: The motion PASSED on a vote of 5 to 4; Councilmembers Carroll, Loftus, Thomas and Ward cast dissenting votes.**

**D. Discussion of Expenses for Repairs to the Public Safety Building**

Administrator Tucker explained that she needs authorization to spend up to six thousand dollars (\$6,000) for Moore Hackney to supervise the repairs associated with the one (1) item described as a public safety issue, the leaking diesel piping. In addition, the Administrator advised the Committee that the City is at a stage in the negotiations between the City's legal counsel and Mashburn's law firm identifying a difference in the covered expenses in a settlement versus new and better ways to do something per the recommendations of the City's consultants. As a result, there may be a differential of some expense, but, at this time, that amount is an unknown; therefore, no funds were identified in the FY14 budget cover them. This is the first such expense – the need to supervise the repairs associated with the diesel piping, and the recommendation from the City's legal counsel is that the City should use Moore Hackney to do that.

**MOTION: Councilmember Ward moved to approve up to \$6,000 to engage Moore Hackney to supervise the repairs to the diesel pipe at the Public Safety Building; Councilmember Carroll seconded.**

Mayor Cronin said there is nothing more important than to ensure this repair is done correctly; he noted that it has not been done right under Mashburn.

Councilmember Loftus agreed, but queried that there was a way for the City to recover these funds from Mashburn. Administrator Tucker explained that the City will have recovery, but the City is going to incur expense over and above that recovery, and this six thousand dollars (\$6,000) is likely to be one of those expenses over and above what is recoverable. This expense is not for the repair, but to supervise the repair and to make sure it is done correctly. The repair is imminent, and, in this motion, the Administrator was seeking the assurance that she was not obligating the City to an expense that was unknown to and not approved by Council, especially since there is no budget for it.

Administrator Tucker stated that she hopes to work with legal counsel get a better idea of the differential between expenses that will be covered under settlement versus expenses that may be outside the settlement.

Mayor Cronin indicated that this work will be paid from the Capital Projects fund.

Councilmember Ward asked which line item in capital projects this expense would be charged against, and Treasurer Suggs proposed Professional Services under the Fire Department as an unbudgeted expense.

**VOTE: The motion PASSED on a vote of 8 to 1 with Councilmember Ward voting against the motion.**

**7. Miscellaneous Business**

**Next Meeting Date: 5:45 p.m., Tuesday, July 16, 2013.**

**8. Executive Session – not necessary**

**9. Adjourn**

**MOTION: Councilmember Buckhannon moved to adjourn the meeting at 7:12 p.m.; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk