

WAYS and MEANS COMMITTEE
5:45 p.m., Tuesday, September 17, 2013

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, September 17, 2013 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, 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. Councilmember Bettelli's absence was excused.

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

Administrator Tucker informed the Committee that, in the minutes, the vendor identified in the contract award for police vehicles in the August meeting was erroneously identified as Vic Bailey Ford, but the actual vendor on state contract is Benson Ford Mercury.

MOTION: Councilmember Carroll moved to approve the minutes of the regular meeting of August 20, 2013 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Resolution to Approve and Support FY14 CARTA Budget

Mayor Cronin asked that Administrator Tucker read the resolution into the minutes; a copy is attached to the historical record of the meeting.

MOTION: Councilmember Carroll moved to approve the resolution as read; Councilmember Stone seconded.

Since Councilmember Bettelli is the City's representative on the CARTA board, Councilmember Ward stated that he would have liked to have the Councilmember's opinion of the FY14 budget. Mayor Cronin indicated that he had spoken to Councilmember Bettelli who had indicated that the budget is not yet finalized, but he has voiced satisfaction that necessary changes had been made.

The Mayor stated that Executive Director Christine Wilkinson had planned to attend the meeting, but, due to an accident earlier in the day, was unable to attend. He voiced confidence that she would attend a subsequent meeting if the Committee so desired.

VOTE: The motion PASSED UNANIMOUSLY.

4. Financial Statement – Treasurer Suggs

A. Financial Statement

The Treasurer stated that the Committee was reviewing results through the first two (2) months of the fiscal year, ending August 31, 2013. Revenues collected in the General Fund total six hundred sixty thousand dollars (\$660,000), led by collections in rental licenses and parking fees.

The target for expenditures in the General Fund is seventeen percent (17%); overall, the City's departments are at twelve percent (12%). Expenditures for BSOs are over the target, but they are seasonal expenses and will even out by year's end.

In the General Fund Cash Balance space on the report, the cash balances for the same period the prior year have been added based on a request made at the August meeting; the information is for comparison. Cash balance in the General Fund is ahead of FY13 with over three million dollars (\$3,000,000) deposited between the LGIP and BB&T, but the Treasurer cautioned that it could be the result of timing issues of deposits or check runs.

Councilmember Loftus voiced concern over the fact that the interest rate from BB&T remains at zero percent (0.00%). Mayor Cronin explained that the City incurs fees relative to the bank's counting of parking meter collections that offset any interest the City might earn; therefore, it is reported as zero (0).

Councilmember Buckhannon commented on the fact that parking revenues are at forty percent (40%) of budget after only two (2) months; he expressed interest is how much could be attributed to the extended kiosk and parking lot hours to 8:00 p.m. The Treasurer commented that, like the BSOs, parking is a seasonal operation, and Councilmember Loftus pointed out that the parking lot fee had been increased this season as well.

Mayor Cronin suggested that an in-depth look at the individual components be prepared for the next Ways and Means meeting.

B. Tourism Schedules

Treasurer Suggs reported that the August payment for July Municipal Accommodations Taxes had been received earlier in the day totaling one hundred eighty-three thousand dollars (\$183,000); it is the largest collection ever for the City. The inclusion of that collection means that the City is eleven percent (11%) ahead of FY13.

The City has not received any funds relative to State Accommodations Taxes or the Charleston County Accommodations Tax Pass-through.

One (1) taxpayer was delinquent in August with a payment of seven thousand dollars (\$7,000), but, without the payment being considered, the Hospitality Taxes are three percent (3%) ahead of FY13.

Councilmember Ward noted that revenues were up on Municipal Accommodations Fees, but rental licenses year-to-date are down materially from the same period in FY13 – he asked if there was a correlation between the two (2). The Treasurer explained that the City has a

process by which a rental property owner must prove that he/she has a state tax identification number before being issued an IOP rental license. She indicated that she, too, had noticed that the rental license payments were down, but she attributes it to a timing issue that will resolve itself next month. The licenses being paid at this time are for the period ending June 30, 2013.

C. Projects Status

Since there was no new activity on the projects in August, the reports were not printed.

Administrator Tucker reported that the City was awarded one hundred thousand dollars (\$100,000) in CTC funding toward Phase 2 drainage.

Councilmember Buckhannon noted that the City had a strong showing for the use of those funds from previous years with the completion of Phase 1 which alleviated flooding issues on the north end of the island. The Mayor stated that photos of the dry streets were a part of the package sent with the application, as well as the engineering work that has been completed toward Phase 2.

D. Discussion of FY13 Year-end Gain

Treasurer Suggs directed the Committee's attention to the schedule included in meeting packets that detailed factors that contributed to the FY13 year-end gain of eight hundred thirteen thousand three hundred twelve dollars (\$813,312).

The Fund Balance schedules were reviewed in reverse order, starting with the Marina Fund which operates as an enterprise fund. The Treasurer explained that an increase of two hundred sixty-three thousand dollars (\$263,000) to Capital Assets, net of Related Debt, was made up of the debt service payment, reducing the amount of outstanding debt on the capital assets. The negative differential over the prior year amount of eighty-three thousand dollars (\$83,000) is the net of rents and lease income and money that went out, part of which was the debt service. In the Victims Fund, the City used more than was collected by twenty-five thousand eight hundred one dollars (\$25,801); the revenue is a set percentage of court fines. The major expenditure is a transfer-out to the General Fund for fifty percent (50%) of the victim advocate's position and benefits.

Administrator Tucker reminded the Committee that, when work begins on the FY15 budget, a new funding source for the victim advocate's position and benefits must be identified because no increase in fines is anticipated to make up than difference.

In the Beach Restoration Fund, revenues equal expenditures relative to the 2008 project.

Each of the tourism funds shows an increase in fund balance for FY13; Mayor Cronin pointed out that the total increase would be in excess of three hundred thousand dollars (\$300,000) if the City had not prepaid the capital leases.

Councilmember Ward commented that the tourism funds were projected to decrease by approximately six hundred thousand dollars (\$600,000) at the end of FY14. The Mayor agreed that would be the case if the City spends all that was budgeted and revenues do not increase.

Treasurer Suggs noted that the Capital Projects Fund has many columns that represent projects that have been completed by the City. Funds that are outstanding going into FY14 are the Drainage Fund, both the Drainage Contingency and an amount identified for drainage Phase 2, Assigned for Capital Projects is generally the Capital Projects balance from which capital assets are purchased.

On the page dedicated to the General Fund, the Treasurer explained that the Beach Maintenance Fund and the Disaster Recovery Fund were included based on changes to GASB in recent years; both of these funds saw an increase in FY13. The Beautification Fund is the tree fund with a revenue source of payments made by property owners when they remove a tree, and the Restricted for General Fund Debt Service is the debt service for the Public Safety Building and the Recreation Center. The Non-spendable is the inventory for fuel and postage. The remaining fund is the Unassigned General Fund with a gain for FY13 of eight hundred thirteen thousand three hundred twelve dollars (\$813,312). The Treasurer is recommending that one hundred thousand dollars (\$100,000) of that gain go to the Disaster Recovery Fund, six hundred thousand dollars (\$600,000) to the Capital Projects fund and the balance to remain in the General Fund.

MOTION: Mayor Cronin moved to follow the Treasurer's recommendation for the use of the FY13 gain, i.e. \$100,000 to Disaster Recovery Fund, \$600,000 to the Capital Projects Fund and \$113,312 to remain in the General Fund; Councilmember Stone seconded.

Councilmember Ward asked if the six hundred thousand dollars (\$600,000) going to Capital Projects was assigned to specific projects. Treasurer Suggs responded that she recommends that it go into the Assigned for Capital Projects column as unrestricted funds. The Treasurer further explained that Council could reassign these funds next week, but this action will be the final journal entry to close the FY13 books.

Councilmember Ward suggested that the funds should be distributed thusly: two hundred thirteen thousand dollars (\$213,000) in the Disaster Recovery Fund and the remaining six hundred thousand (\$600,000) in the Capital Projects Fund, specifying that three hundred sixty thousand dollars (\$360,000) be used to replace the Tidal Wave dock and two hundred forty thousand dollars (\$240,000) to be allocated to the public restrooms.

Mayor Cronin stated that he thought it was premature to assign any funds to the public restrooms, but keeping it in the Unassigned Capital Projects made it available for that use.

Councilmember Buckhannon agreed that the gain should not be put into a pot where it can be spent on a variety of capital projects, and the pressing issues are the dock replacement at the marina and the public restrooms.

On the subject of the restrooms, Mayor Cronin stated that he has a problem spending taxpayer money to improve or replace them; he indicated that he would be more comfortable using tourism funds.

Mayor Cronin stated that the City has two point eight million dollars (\$2,800,000) in tourism funds that are undesignated for any application and available should the City experience another Hurricane Hugo.

Councilmember Ward remarked that the City had one point eight million dollars (\$1,800,000) when Hurricane Hugo hit the island and that, based on the CPI, the City needs to have three and a half million dollars (\$3,500,000) to be comparable to that today. He noted that the City barely hits that mark with the Disaster Recovery Fund and tourism funds combined.

Councilmember Stone indicated that he was in favor of adding the funds to the General Fund in light of the his knowledge of some of the property reassessments that have occurred on the island and the potential drops in value that continue to take place as people continue to contest their assessments.

VOTE: The motion PASSED on a vote of 7 to 1 with Councilmember Ward casting the dissenting vote.

E. Approval of 2013 Millage Rate to Support FY14 Operating Budget

According to Treasurer Suggs, the handout associated with the millage rate begins with a history of the millage since 2005.

MOTION: Councilmember Stone moved to retain the millage at 22.9 for 2013; the motion was seconded by Councilmember Loftus.

Mayor Cronin explained that this item was before the Committee because the City has received information from the Charleston County Tax Assessor's Office indicating their expectations would cause the City to fall short of its property tax collections. He continued that property tax assessments remain flat, but the collection rate will be lower than what the City has realized in recent years, and that lowered collection rate indicates that the City will receive lower property taxes than budgeted and results in a one hundred ninety-four thousand dollar (\$194,000) shortfall. Based on his own calculations, the Mayor stated that, if the City has the same collection rate that the City has recently realized, the shortfall would be maybe thirty thousand dollars (\$30,000).

Treasurer Suggs commented that delinquent taxes are ultimately collected, and Councilmember Stone stated that there are no exceptions to the property tax rules.

Additional pages in the handout illustrate how a property owner would fare should the Committee decide to increase the millage to cover the shortfall.

Responding to Councilmember Loftus' question about the time frame for the next reassessment, the Mayor answered that reassessments are scheduled to occur every five (5) years, and the last one was in 2012.

VOTE: The motion PASSED UNANIMOUSLY.

6. Old Business

A. Beach Access Parking – Rick Day, Stantec – Consideration of Award of a Contract for Scope of Work for Identified Parking Management System

MOTION: Councilmember Stone moved to award a contract to Stantec to accomplish Tasks 1, 2 and 3, which will be paid from funding established in the FY14 budget for Beach Management Parking Solutions; Councilmember Carroll seconded.

Administrator Tucker stated that this contract represents what Council tasked Stantec to do as embraced at the most recent Council meeting with the cost to accomplish assigned to each task. On the parking permit program, the decision on how many permits to sell and where those people will park must be based on fact was stressed; therefore, many of the elements detailed in the parking permit program are associated with gathering that data to support the decisions should the City be challenged in Court.

Councilmember Buckhannon referred to Item E under Task 1 relative to determining the number of parking permits and how the number could be capped. Administrator Tucker asked Mr. Day to explain a Parking Accumulation Study.

Mr. Day reiterated that a key element to the study is to make determinations based on need and safety. Stantec personnel will be sure to capture the peak times in the summer to make sure that the permits only rise to the level that can be accommodated by the infrastructure, by the parking network, as well as safety. These peak times include Memorial Day, July 4th and Labor Day, as well as weekend events. They will be measuring the amount of parking, how visitors park and where they park throughout the entire island during those times; based on that information, a determination will be made.

Mayor Cronin added that certain areas of the island have an excess parking demand which is limiting the use of that area to the property owners and residents; therefore, a permitting system is appropriate and would be applied for. For other parts of the island without the demand; there would not be a parking permit for that area. Mr. Day cautioned that Stantec was not to that point yet; he indicated that it could be one (1) permitting systems island-wide or it could be based on pockets – different permits for different areas.

Councilmember Buckhannon repeated that the City has island-wide parking, i.e. those streets that can accommodate parking have parking.

Mayor Cronin hypothesized that creating parking areas might tend to drive people to other areas that have been determined to have no parking.

If the plan were to create parking areas, Mr. Day stated that they would have to be mindful not to simply move the problem to another part of the island.

Councilmember Buckhannon expressed the need to have real time traffic data, rather than a day later; Mr. Day stated that explained that it is possible to do that, but to do so is very expensive. Stantec was planning to take the traffic recorders to the streets for a number of days, studying the ingress and egress of the island throughout the entire day and working from the empirical data that to forecast what the traffic would be for another day.

Councilmember Buckhannon stated that, based on historical data, no one could have predicted the traffic that the City experienced on Memorial Day or the weekends following; the traffic was unlike anything residents had experienced before. He reiterated his position that the parking permit program will not prevent people from coming to the island to go to the beach; he suggested that it will take years to educate people to the new parking program.

Mr. Day responded that the parking permit program will require an education component and, although Stantec would not do the education, they would describe and layout the format.

Mr. Day stated that these tasks outline the various steps the City needs to take to get the program implemented.

Councilmember Bergwerf voiced concern that the plan would not limit parking if it counts parking spaces on isolated streets; people are going to continue to go to the areas are over-stressed now.

Mayor Cronin noted that Stantec can do the statistical analysis, but it will be up to the City to determine how to implement.

When asked to explain "revenue neutral," Mr. Day stated that the City will incur costs over and above what are detailed in this proposal, i.e. hiring extra officers for enforcement, the cost of whatever form of permit/tag the City chooses, generating and executing the educational program, etc. Stantec will itemize what it considers to be the cost to operate, and then determine the number of permits to be sold and the cost of the permits in order to break even.

Agreeing that this is the goal, Administrator Tucker expressed that opinion that it will be challenging to achieve. Mr. Day noted that the plan would likely be more expensive in Year One than any other year.

Councilmember Loftus asked if every resident of the island would be required to purchase a parking permit; Mr. Day repeated that the program must be non-discriminatory between residents and visitors for on-street parking. Residents parking their cars in their own driveways do not need parking permits. The Councilmember suggested that some residents might see this program as a new form of taxation; he recalled one (1) idea where the island has designated parking with kiosks for everyone to pay to park, and, once that parking area is full,

there is no other parking available. Mr. Day explained that there would be a limited number of stickers sold and only those sticker-bearers can legally park on the streets on the island.

Councilmember Stone voiced the opinion that the City has to be “all or none” potentially eliminating parking island-wide, which is impossible and would create hardships for residents; the sticker would allow residents to have guests over and to park in the right-of-way of their property or day visitors, or the City color codes parking for various zones of the island, or do nothing.

Councilmember Loftus commented that a completion date of January 31, 2014 does not give the City’s staff sufficient time to implement the program for the 2014; he believes that a more reasonable date for implementation is the 2015 beach season. Mr. Day stated that the schedule could possibly be tightened by one or two (1-2) months; he reiterated that the data would be gathered during the 2013 beach season and the analysis would follow.

Mayor Cronin remarked that the City would be working out the details of implementation while Stantec is completing its work. Mr. Day stated that he anticipated the City to begin selling the parking permits in January and February before the season begins.

Since the Committee was addressing each task separately, Councilmember Stone withdrew his motion and Councilmember Carroll withdrew his second.

MOTION: Councilmember Ward moved to approve Task 1 of the Stantec proposal; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

MOTION: Councilmember Stone moved to approve Task 2 of the Stantec proposal; Councilmember Ward seconded.

Councilmember Bergwerf stated that this task added an expense that is unnecessary at this time; she is aware that parking four feet (4 ft.) from the pavement is a safety issue, especially on Palm, where it has been accomplished with a simple chalk line. On the small streets, there is not the traffic to warrant such a requirement; she is not a supporter of forcing residents to remove any vegetation or landscaping that is in the right-of-way. She noted that this issue was originally not included in Stantec’s scope of work, and, in her opinion, the City does not need to pursue it.

Councilmember Buckhannon disagreed about the level of traffic on side streets, specifically Carolina and Charleston Boulevards; he recounted that these residents have been among the most vocal about the parking problems. The Councilmember stated that these streets typically have a ten foot (10 ft.) right-of-way and that SCDOT requires a minimum of eight feet (8 ft.) parking standard. Councilmember Bergwerf concluded that “this is an ad hoc way of limiting parking,” and Councilmember Buckhannon agreed that, in essence, this action would eliminate parking on those streets.

Councilmember Bergwerf added that she would be opposed to any action to force the removal of impediments in the right-of-way.

Mayor Cronin indicated that the City has a lot of this information already and asked Mr. Day if the cost of this task could be changed to reflect that. Mr. Day countered that Stantec believes the amount to be fair.

The Mayor asked whether the roads that are not in the SCDOT system can be identified and whether a process could formalize whether the City owns them or they are owned by a third party. Mr. Day was confident that this work would clarify the ownership of all roads and streets on the island.

VOTE: The motion PASSED UNANIMOUSLY.

MOTION: Councilmember Stone moved to approve Task 3 of the Stantec proposal; Councilmember Buckhannon seconded.

Councilmember Stone asked what the City's policy was relative to the encroachments in the right-of-way; he noted that the City does actively stop new encroachments, but has grandfathered the old ones.

Administrator Tucker stated that, jointly with SCDOT, efforts are made to stop new encroachments as they are happening. The City notifies the property owner and tries to educate them on the need to get an SCDOT encroachment permit and, in some cases, the City has provided them with the necessary forms. If an owner has something he/she wants to do in the right-of-way, he/she must ask SCDOT if the encroachment is acceptable under their standards and ask for permission. Assuming the permit is granted, a copy of it goes into the City's files.

The Administrator explained that the City has just initiated a process related to garbage roll-out carts/recycling bins not being visible from the road; letters are being sent to residents notifying them of the ordinance change and the need for them to come into compliance with it. The letter also addresses the corrals in the rights-of-way by explaining that SCDOT has not issued any permits allowing their existence in the rights-of-way. This process is a beginning to eliminate these encroachments.

In past dialogues with SCDOT, the City was first going to identify those encroachments that were deemed to be safety hazards and remove them first. It would be up to Stantec to design a program for the removal of encroachments in the rights-of-way for sight-visibility at intersections.

Mayor Cronin noted that the City does not have any direct enforcement power; it is up to SCDOT who is "less than enthusiastic" about enforcement.

Councilmember Loftus stated that he would like to see this task treated as a separate issue and not move forward with it until the City gets feedback from SCDOT on how it can happen. In the Councilmember's opinion, the City needs to know what SCDOT will support before money is spent on any kind of study.

The Mayor indicated that SCDOT would be happy to give the City the responsibility; the only oversight they would want would relate to safety issues.

Councilmember Bergwerf stated that many residents have spent money on landscaping to prevent visitor parking. She said that these encroachments are SCDOT's problem and they should be the ones to handle it.

Administrator Tucker explained that, if the City does not take a position on this issue, work in tandem with SCDOT and try to implement a beach access parking plan, the City will see an increased number of people putting encroachments in the rights-of-way at a pace faster than the City can act. In her opinion, the process of removing encroachments from the rights-of-way and a beach access parking plan go hand-in-hand.

Mayor Cronin indicated that he does not think SCDOT knows the magnitude of the problem on the island and having quantifiable proof may make a difference.

VOTE: The motion PASSED on a vote of 6 to 2 with Councilmembers Bergwerf and Loftus casting dissenting votes.

B. Discussion of Options Related to Front Beach Restrooms

Administrator Tucker recalled that a motion had been passed authorizing staff to move forward with the securing a request for proposals for architectural and engineering to replace the Front Beach restrooms. Staff field work since that meeting has unearthed certain considerations that might influence that decision; the concerns are that the City does not have a current appraisal for the restrooms on which to base the fifty percent (50%) determination and the City does not have an estimate of the cost to improve the facility. Staff recommends delaying the RFP until the City can get a current appraisal and have an architectural engineer provide real estimates of improvements to the public restrooms. In addition, a new structure must be elevated because it is in a V flood zone, and it must be handicap accessible; since it is in a V zone, nothing can go underneath. The space for a new building is narrow; therefore, there will be lots of zig-zagging ramp or an elevator. The existing structure is a solid concrete block building that could likely be hosed out by a fire hose; a new elevated, wooden structure will require more maintenance than the existing building.

MOTION: Mayor Cronin moved to defer action on the public restrooms until additional information is obtained; Councilmember Bergwerf seconded.

Councilmember Ward asked specifically what information an action dependent was upon, and the Administrator responded that they were a new appraisal of the building and an estimate on the actual work that needs to be done and the cost to do it.

Councilmember Ward then asked how soon the work would begin if the motion passes, and the Administrator answered that the work would begin immediately. In conclusion, he asked when the appraisal and estimates would be available; Director Kerr responded that the appraisal would be back in two to three (2-3) weeks for the appraisal and all of the data should be available in thirty (30) days.

VOTE: The motion PASSED UNANIMOUSLY.

Mayor Cronin noted that Council must decide where the money would come from to do whatever is decided upon – taxpayers or tourists, but he added that the day-trippers are the people using the restrooms, not tourists. The Mayor stated that he hopes to approach Charleston County for financial assistance since their residents are visiting the City's beach. Councilmember Ward remembered that Charleston County had contributed significantly when the restrooms were originally built.

At 7:18 p.m., the Committee took a break and resumed at 7:38 p.m.

6. New Business

A. Recommendation from the Public Safety Committee

- 1. Award of a sole source contract to Motorola Solutions in the amount \$6,516 for Police radio service and \$6,960 for Fire Department radio service for a total of \$13,476, at state contract pricing and included on the FY14 budget.**

MOTION: Mayor Cronin moved to award a sole source contract to Motorola Solutions as stated above; Councilmember Stone seconded.

Administrator Tucker informed the Committee that these contracts were over budget by approximately six hundred dollars (\$600) due to a difference in the quantities of "walkies" and mobiles from the time the budget was prepared and a small price increase.

Councilmember Ward asked what account would fund the amount over budget, and the Administrator explained that this would be an out-of-budget expenditure that would be charged to same line item.

VOTE: The motion PASSED on a vote of 7 to 1 with Councilmember Ward casting the dissenting vote.

- 2. Award of a contract to Jones Ford in the amount of \$27,437 for one Ford F-150 pickup truck for the Fire Department, at state contract pricing and included in the FY14 budget, replacing at 2003 vehicle.**

MOTION: Mayor Cronin moved to award a contract to Jones Ford as stated above; Councilmember Bergwerf seconded.

Administrator Tucker reported that the mileage on the 2003 truck is one hundred four thousand four hundred eighty-five (104,485).

Councilmember Loftus asked what year was the vehicle the City is buying, and Chief Graham answered that it would be a 2014 model.

Councilmember Ward asked if this purchase was within the budget and was told that it was.

VOTE: The motion PASSED UNANIMOUSLY.

- 3. Award of a 3-year contract to Zambelli's for up to \$27,000 per year for July 4th fireworks show.**

MOTION: Mayor Cronin moved to award a 3-year contract to Zambelli's as stated above; Councilmember Ward seconded.

Administrator Tucker reported that Zambelli's has increased the price slightly and that this is a sole source contract due to the excellent safety record Zambelli's has achieved over the years. If the City signs a contract prior to November, the City will receive a discount.

VOTE: The motion PASSED UNANIMOUSLY.

Councilmember Buckhannon asked if there was a cancellation fee, and the Administrator responded that the fee is three thousand dollars (\$3,000).

B. Recommendations from the Public Works Committee

- 1. Award of a contract to Jeff Jackson in the amount of \$1,800 for horticultural services related to Mayor Carmen Bunch R. Park.**

MOTION: Mayor Cronin moved to award the contract to Jeff Jackson in the amount of \$1,800 as described above; Councilmember Stone seconded and the motion PASSED on a vote of 7 to 0 with Councilmember Ward abstaining.

- 2. Award of a contract to Civil Site Environmental for \$8,500 for drainage engineering and design between 56th and 57th Avenues.**

MOTION: Mayor Cronin moved to award a contract to Civil Site Environmental for services stated above; Councilmember Loftus seconded and the motion PASSED UNANIMOUSLY.

The Mayor was told that this project will be paid from the Drainage Contingency Fund.

- 3. Award of a sole source contract to Hughes Motors in the amount of \$182,805 for the budgeted purchase of 1 MackGU715 garbage truck.**

MOTION: Mayor Cronin moved to award a sole source contract to Hughes Motors as described above; Councilmember Stone seconded.

The Mayor announced that this was the City's first capital purchase with cash and not under a capital lease program.

VOTE: The motion PASSED UNANIMOUSLY.

C. Recommendation from the Recreation Committee

Award of a sole source contract to Holiday Designs in an amount not to exceed \$25,000 for budgeted holiday lights.

MOTION: Mayor Cronin moved to award a contract to Holiday Designs as indicated above; Councilmember Bergwerf seconded.

Mayor Cronin pointed out the example of the lighted candy cane in the room as the type of light displays referenced in this motion.

Administrator Tucker stated that staff had looked at many vendors with the goal of finding a vendor who provide lights of the desired size; this vendor has a relationship with the James Island County Park staff in charge of their annual holiday lighting festival, which is viewed as a positive reference. Geographically, this vendor is close by in northern Georgia that will save on shipping costs and is close enough to provide technical assistance if needed. They also have indicated that they can customize displays for the City. Amy Lee was able to make a trip to their location to pick up this display for the City to decide whether this was the appropriate size and whether this type of display would work in the various locations over the island. Another plus is that these displays are manufactured in the United States and not an imported product. For information, the Administrator noted that the waving Santa is eighteen feet (18 ft.) tall and the palm trees at Breach Inlet are twenty feet (20 ft.) tall. In addition, for the inaugural year, staff believes that there are significant advantages to going with one (1) vendor; if the program expands in future years, there is the possibility of using other vendors for more competitive pricing. The goal is to enhance a visit to the island in the off-season and to attract visitors to see the lights and visit local businesses for dinner and shopping.

Mayor Cronin encouraged the ATAX Committee to work with local businesses for a possible sharing of the costs for advertising as is done at the James Island County Park. He also pointed out that the displays break down for ease of storage.

Councilmember Ward stated that he understood the original intent had been to partner with the island's businesses to offset some of the cost. The Administrator agreed that there had been some discussions along that line, but that it never went beyond the discussion stage.

Councilmember Loftus asked why that idea had not been pursued; he that it was a good idea and should have been aggressively marketed to local businesses.

Administrator Tucker commented that sponsorships could still be sought to recuperate expenses, but cautioned that the City does not have personnel who have the time to pursue such an endeavor. Once displayed, if a business wants to gain advertising in this manner, it can certainly be arranged; Councilmember Loftus thought that approach was illogical.

The Administrator said that the concept was to place some of the displays at the Front Beach, but others would be strategically placed throughout the island; the little girl on a bike was to be at the Recreation Center, a marina-themed display would be placed at the marina, etc.

Councilmember Carroll supported the idea of creating an island light festivity, noted that it has been discussed and was put into the FY14 budget; he would support the initiative.

Councilmember Buckhannon asked if storage space was available for the displays; since they come apart, certain pieces can be stored in storage spaces in various City buildings. He agreed that the initiative should be supported by businesses on the island.

Councilmember Ward asked what the turn-around time would be on an order for these displays; Amy Lee said that the vendor could have the displays ready within two (2) weeks of getting the order.

VOTE: The motion FAILED on a tie vote as Councilmembers Buckhannon, Loftus, Thomas and Ward cast dissenting votes.

D. Recommendation from the Personnel Committee

Consideration of an amendment to the City Purchasing Procedures Ordinance to iterate policy regarding employee participation in the sale of surplus property.

Administrator Tucker indicated that the Purchasing Ordinance is silent on the issue of employee participation in the sale of surplus property. The goal would be to clarify that City employees are or are not eligible to submit bids for the purchase of surplus property.

MOTION: Councilmember Stone moved to allow City employees to submit bids to purchase surplus property; Councilmember Ward seconded.

Responding to Councilmember Loftus, the Administrator stated that the ordinance change will need to refer to specific policies to be set in the Employee Personnel Manual. The language is will be that employees are eligible under these guidelines, and the guidelines would be specific to no one who is involved in putting together the RFP or RFB for the bid would be allowed to bid. Various stipulations would guarantee that there is no appearance of impropriety. In her opinion, the pro is that employees would be encouraged to take good care of the property if they feel they may have an opportunity to bid on it later on; of course the opposite could also apply, neglect to see that the property is replaced sooner than planned. She added that there have been situations in the past when the only bidder(s) was a City employee(s).

VOTE: The motion PASSED UNANIMOUSLY.

E. Recommendation from the Real Property Committee

- 1. Award of a contract to Central Industries, Inc. in the amount of \$15,525.95 for fuel dispensers and consideration of an upgrade to stainless steel and blender improvement in the amount of \$1,094.87 for a total of \$16,620.82.**

MOTION: Mayor Cronin moved to award a contract to Central Industries as stated above; Councilmember Stone seconded.

According to Administrator Tucker, the matter that went through the Real Property Committee was the single bid amount of fifteen thousand five hundred twenty-five and ninety-five cents (\$15,525.95) from Central Industries; the addition of the improvement stays within the amount budgeted for this purchase. This vendor is currently providing services to the equipment at the marina. The Administrator noted that stainless steel will function better in the environment at the marina, and the blender improvement will enable the marina to sell conventional fuel with no ethanol, which is the marina manager's preference.

VOTE: The motion PASSED UNANIMOUSLY.

2. Recommendation to task Coastal Science and Engineering to apply for a permit to respond to Breach Inlet erosion

When Steven Traynum made his presentation to City Council, the question came up about the north-end permit regarding the distance triggers that would apply to the ability to take an erosion action; the City has no triggers to take any action at Breach Inlet. If the prediction is wrong that the erosion is going to turn around and Breach Inlet will heal itself, the City can do nothing but the basic things to react to the erosion there. The thought was that the City should use Beach Maintenance Funds to get a permit for Breach Inlet in case action is needed; Mayor Cronin interjected that a permit can take as long as two (2) years to get. The cost estimate from Coastal Science and Engineering (CSE) for their work toward a permit is a six (6) figure amount; they recommended a feasibility study to gather much of the data that would be needed to determine options. The cost of such a feasibility study would be between thirty-five and fifty thousand dollars (\$35,000-\$50,000).

The Mayor reiterated that a permit would be very expensive and requires environmental, geo-technical work and other such services for which CSE would need to hire consultants.

The Administrator confirmed for Councilmember Ward that a feasibility study is not a budgeted expense and that the balance in the Beach Maintenance Fund is four hundred seventeen thousand dollars (\$417,000).

Councilmember Loftus recommended that this be sent back to Committee for further review and the balance of the Committee agreed.

7. Miscellaneous Business

Mayor Cronin announced that staff would be opening bids on the re-financing of the marina taxable bond on Thursday, September 19th at noon.

In an attempt to salvage the holiday light initiative, Administrator Tucker asked for Committee approval for staff to make contact with businesses who might be interested in financially supporting holiday light displays. The Committee gave its approval, noting that this was what they wanted in the beginning.

Next Meeting Date: 5:45 p.m., Tuesday, October 15, 2013.

8. **Executive Session – not needed**

9. **Adjourn**

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 8:07 p.m., Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland,
City Clerk