

**Ways and Means Committee**  
5:00 p.m., Tuesday, November 15, 2016

The regular meeting of the Ways and Means Committee was called to order at 5:00 p.m., Tuesday, November 15, 2016 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Bergwerf, Bettelli, Carroll, Ferencz, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Attorney Halversen, Assistant Administrator Fragoso 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 Bettelli moved to approve the minutes of the regular meeting of October 13, 2016 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.**

**3. Citizens' Comments**

**SC Aquarium 2017 Turtle Trek on Saturday, September 23, 2017 as City-Sponsored Event**

Administrator Tucker stated that the inaugural Turtle Trek was held on the island this year, and they were requesting City-sponsored event status to hold the race here in 2017. The request was made to the Public Safety Committee that unanimously recommended approval to Ways and Means.

Councilmember Bettelli noted that the event occurs in the early evening and has little impact on the City's public safety personnel; in addition, the group has offered to do a beach sweep before the race.

**MOTION: Mayor Cronin moved to approve the 2017 Turtle Trek as a City sponsored event; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

The Mayor was pleased to announce that the City has been awarded a five hundred thousand dollar (\$500,000) grant from the S.C. Rural Infrastructure Authority for the Phase II drainage project. He thanked Assistant Administrator Fragoso for attending the meeting, determining that the City qualified for the grant and for preparing and submitting the application.

Responding to Councilmember Rice, the Administrator said that this is a matching grant at one hundred percent (100%); she noted that a portion of the match might be in the FY18 budget cycle.

**4. Financial Statements – Treasurer Suggs**

The financial statement for review was through October 31, 2016 or one-third ( $\frac{1}{3}$ ) of the fiscal year. General Fund revenue was at sixteen percent (16%) of budget and expenditures were at

thirty percent (30%) of budget. Total cash for the City is three million dollars (\$3,000,000) greater than a year ago; the increase is attributable to the Beach Preservation Fee and tourism funds. The target for expenditures was thirty-three percent (33%); the Treasurer explained that the reason that Fire Department expenditures were over budget was the overtime accumulated during Hurricane Matthew; the overtime should be seventy-five percent (75%) reimbursable by FEMA.

The FEMA Kickoff for Hurricane Matthew has been held, and the City should be made “whole” for the additional expenses incurred with the hurricane. The Treasurer reported that seventeen thousand five hundred dollars (\$17,500) was spent from the Disaster Recovery Fund for the formation of the temporary berms on the beach.

Councilmember Carroll stated that the City should increase the funding to the Disaster Recovery Fund, and the Mayor stated that the City tries to add fifty thousand dollars (\$50,000) to it every year.

Councilmember Ward voiced the opinion that funds should be budgeted to increase the Disaster Recovery every year.

### **Tourism**

Municipal Accommodations Taxes were two percent (2%) ahead of FY16 year-to-date. The tourism portion of State Accommodations Taxes was up by four tenths of a percent (0.4%) from the prior year, and Hospitality Taxes were running six percent (6%) ahead of the previous year.

Mayor Cronin thought that the increase in accommodations taxes was a factor of increased rates charged by owners of rental properties since no new rental properties have been added to the rolls.

Administrator Tucker commented that one (1) reason for the “Secret Season” was to even the number out through the year, but she acknowledged that the eroded beach has made it appear to be more crowded than it actually has been.

### **Project Worksheets**

According to Treasurer Suggs, in October, there was no new activity on the parking worksheet and that the only activity on the Beach Renourishment sheet was one (1) invoice from Coastal Science and Engineering.

**5. Old Business – None**

**6. New Business**

**A. Recommendation from the Recreation Committee to award a sole source contract to Musco Lighting in the amount of \$125,000 to replace the soccer field lights**

Mayor Cronin reported that this is the same company that installed the lights for the baseball field; the lights are constantly monitored and have a twenty-five (25) year warranty.

**MOTION: Mayor Cronin moved to award a sole source contract to Musco Lighting to replace the soccer field lights at \$125,000; Councilmember Rice second and the motion PASSED UNANIMOUSLY.**

**B. Consideration of awarding a sole source contract to Civil Site Environmental (CSE) in the amount of \$2,500 for engineering guidance for drainage improvements on Sand Dollar Court.**

Administrator Tucker explained that the property owner had come to the Public Works Committee for assistance in resolving the drainage problem affecting his yard; he brought pictures to show the Committee the problem he was having. After TV-ing the line, a crack was found in it that must be repaired, and workers might find other problems after they begin.

**MOTION: Mayor Cronin moved to award a sole source contract to CSE in the amount of \$2,500 for drainage improvements to Sand Dollars Court; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.**

**C. Recommendations from the Real Property Committee**

**2. Amend the permit application to OCRM/Corps of Engineers for the off-shore dredging project to include the entire shoreline**

**MOTION: Mayor Cronin moved to amend the off-shore dredging application to OCRM/Corps of Engineers to include the entire island; Councilmember Carroll seconded.**

The Mayor voiced concern about the erosion on the west end of the island as a result of Hurricane Matthew and thought it was enough to include that area in the upcoming offshore project; he stated that the selected borrow site(s) had sufficient sand, but to do this means that the application must be amended. The biggest concern would be how to fund the additional costs.

Mr. Traynum stated that the cost to change the application would be minimal and that now was the time to amend it since it has not yet gone out for public comment; he reminded Council that the permit was good for five (5) years.

Councilmember Bergwerf asked whether amending the application would interfere with starting the planned project on the east end of the island, and Mr. Traynum assured her that it would not. He also noted that the plan would be to use the same borrow site for both areas. The Councilmember confirmed that modifying the application would not commit the City to two (2) projects.

Mayor Cronin reported that CSE has identified a borrow site outside the area SHPO wants to protect; he said that it was not the best sand, but it was compatible.

When Councilmember Harrington asked about the attachment of the shoal, Mr. Traynum reported that the main body of the shoal has attached and the area in front of Ocean Club has started to accrete, but the volume of sand was not enough for the east end project. According to Mr. Traynum, the shoal could continue to attach for up to two (2) years.

When the application goes out for public comment, anyone could comment, and, if someone appeals the permit application, it could shut down the entire project.

Councilmember Rice asked if the volume of sand to be dredged would be reduced since the shoal has attached, and she was told that it was possible.

When Councilmember Kinghorn asked whether the area lost to Matthew would be FEMA eligible, the Administrator responded that it would if it was determined to be an engineered beach; she noted that staff has continued to fight for inclusion and that it is still listed on the worksheets. The grant application will be for an area greater than the east end, but the application currently is for the east end because that is the only area funded.

Mr. Traynum stated that the City could “piggyback” on the original project at the east end of the island or CSE could do costs analyses on various options, i.e. consider using the sand from Little Goat Island.

**VOTE: The motion PASSED UNANIMOUSLY.**

- 1. Allocate funding for the design and engineering improvements to the public restrooms, outdoor showers and dune walkover**

**MOTION: Councilmember Rice moved to award a contract to Liollo for the design and engineering improvements to the public restrooms, outdoor showers and dune walkover; Councilmember Carroll seconded.**

Councilmember Carroll stated that the City had missed an opportunity with Charleston County, and he thought that the City should ask again for them to contribute to the construction costs for the public restrooms. He conceded that something must be done now to keep Front Beach a draw for tourists.

Councilmember Rice agreed that something must be done for this summer; she added that she was not at all optimistic about participation by Charleston County.

When Councilmember Ferencz asked for an explanation of the term “contract administration,” the Administrator said that it was construction oversight and that it was needed because no one on the City staff had time to assume that responsibility.

Councilmember Bergwerf admitted to “sticker shock” when she saw Liollo’s proposal; the project does not appear to be a complicated one, and she thought the oversight cost was too high at fourteen thousand three hundred forty-eight dollars (\$14,348).

**AMENDMENT: Councilmember Rice amended her motion to award Liollo a contract in the amount of \$34,782; Councilmember Bergwerf seconded and the amendment PASSED UNANIMOUSLY.**

Councilmember Kinghorn called this project a stop gap measure that will have to be repeated in three to five (3-5) years; he was still of the opinion that the City should look to the public and private sectors for assistance. He also noted that he had gotten no comments on the proposal he brought before Council to make the public restrooms a revenue source.

Administrator Tucker commented that the bid climate was tight because everyone is busy now; she cautioned Council that, when this project goes out for bid, they should expect the costs to be high.

**VOTE ON AMENDED MOTION: The motion PASSED on a vote of 7 to 2 with Councilmembers Ferencz and Kinghorn casting the dissenting votes.**

**D. Recommendation from the Public Works Committee to consider awarding a contract to Hitt Contracting, Inc. in the amount of \$756,000 by using 80% of the \$589,000 total of NPDES funds available, or \$471,200, along with the FY17 budgeted amount of \$124,530 and funds allocated for the 25% share of Charleston County post-Joaquin drainage issues.**

Councilmember Ward asked that this item be referred back to Committee; today was the first time he has seen the numbers.

The Mayor said that he was concerned about the time frame for the bid and asked that a recommendation be made at the meeting of December 6, 2016.

**E. Consideration of awarding a sole source contract to Stantec in the amount of \$11,910 for alterations and amendments to the sign plan and submission for the SCDOT encroachment permit for managed beach parking**

Administrator Tucker explained that decisions made at the parking meeting will require amendments to the existing sign plan, which Stantec originally designed.

Councilmember Ferencz asked why the City was going to pay for an analysis of the problem areas when Stantec has already been paid to do that job.

The Administrator noted that staff will need engineering advice on the best way to correct the problems and the best solutions that SCDOT would likely approve. The fact of Stantec's familiarity with the parking plan and the data already in their possession is the sole source reasoning.

**VOTE: The motion PASSED on a vote of 7 to 2 with Councilmembers Ferencz and Ward casting dissenting votes.**

**F. Consideration of Changes to the NPDES base rate for Non-residential parcels by capping the increase at 33%**

Mayor Cronin explained that in addition to proposing an increase on residential rates to seventy-two dollars (\$72), Charleston County also changed the calculation basis for non-residential properties that caused a fee to increase from six hundred ninety-one dollars (\$691) to twenty-nine hundred thirty-three (\$2,933) in one (1) example. The Mayor proposed capping the increase at thirty-three percent (33%) over last year's rate.

In a follow-up communication, Administrator Tucker was informed that Charleston County has decided to delay the billing as it tries to figure out the best thing to do.

**Motion: Councilmember Kinghorn moved to cap the increase in the NPDES base rate for non-residential parcels at 33%; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

**7. Miscellaneous Business – None**

**Next Meeting Date: 5:00 p.m., Tuesday, January 17, 2017**

**8. Executive Session – not needed**

**9. Adjournment**

**MOTION: Councilmember Carroll moved to adjourn the meeting at 5:58 p.m.; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk