

WAYS and MEANS COMMITTEE

5:45 p.m., Tuesday, March 15, 2016

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., Tuesday, March 15, 2016 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Harrington, Kinghorn, Rice and Ward, Mayor Cronin, Administrator Tucker, Treasurer Suggs, Assistant Administrator Fragoso and 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 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 February 16, 2016 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Financial Statements** – Treasurer Suggs

A. Financial Statement

Treasurer Suggs noted that the financial report was eight (8) months through the fiscal year at February 29, 2016; the target for General Fund revenue and expense was sixty-seven percent (67%). Revenue collected for the General Fund was at sixty-nine percent (69%) of budget and expenditures, overall, were at sixty percent (60%) of budget. Property Tax revenue appears to be significantly ahead of FY15, but the difference can be attributed to a timing difference between the two (2) years; in FY15, the January tax collections by the County had been remitted to the City, but, in FY16, they were not received until February.

Cash in the General Fund is approximately one million dollars (\$1,000,000) higher, and it is all found in the new Beach Preservation Fee Fund; the General Fund cash represents forty percent (40%) of the annual General Fund budget. The Treasurer noted that cash in other funds are also higher, such as Capital Projects, Disaster Recovery, marina and all tourism funds; therefore, total cash on-hand for the City was approximately three million dollars (\$3,000,000) higher than the same time in FY15.

Mayor Cronin took this opportunity to inform the Committee that a bill has been filed in the state legislature that would dramatically impact business license revenue for all local municipalities; the bill would set the cost of all business licenses at one hundred dollars (\$100), set business licenses across the state for the same anniversary date, assign the same classification tables for the entire state and dictate that all licenses will be billed and collected by the state. Other than the obvious impact on revenues, with online filing for licenses, there is no way to ascertain whether the person/businesses applying for the license have been properly trained and certified to do the job. The Mayor indicated that he does not expect the bill to go through this year, but it could be refiled next year.

Treasurer Suggs announced that the City retired the marina bulkhead debt on March 1, 2016.

B. Tourism Statements

Despite February being a low point in the year, Municipal Accommodations Fee collections were in excess of twenty-five thousand dollars (\$25,000) and year-to-date are running four percent (4%) ahead of FY15. The City has received State Accommodations Taxes for the second quarter, and collections are two percent (2%) greater than the same period in FY15. Hospitality Taxes had a good month with collections greater than twenty-nine thousand dollars (\$29,000); they are running eight percent (8%) ahead of FY15. The City has now collected a full year of Beach Preservation Fees for approximately one million dollars, as expected.

Mayor Cronin reported that he had met with several members of the island's hospitality and food and beverage industries on Monday to open a dialogue on how to promote the island in the off-season; he said that this group of people talked about a secret season as being the fall months. He was interested in learning whether they could come up with something constructive to benefit all; another meeting is planned for next month.

C. Property Tax Analysis

As was done last year, the Mayor has generated a schedule illustrating the difference between two (2) homes of equal appraised values, but with one (1) located on the Isle of Palms and the second located in Mount Pleasant. The difference is primarily in the municipal millage and a large sales tax credit that the Isle of Palms does not get. Ultimately, a home owner in this scenario would pay nearly three hundred dollars (\$300) more in property taxes than at the Isle of Palms.

The Mayor reported that, in a recent conversation with County Council Chair Elliott Summey, he had been told that the one hundred (100) years' storm that the area experienced in October had shed light on the fact that stormwater fees needed to be increased in order for the County to do a better job on drainage pipes and ditches. The Mayor said that was great for the unincorporated areas of the County, but that County Council could not dictate to the municipalities in the County an increase in their NPDES fees or how that money would be spent. The Mayor did, however, agree that NPDES fees were due for an increase and asked Councilmember Ward for the Public Works Committee to research the issue to determine whether the City was charging enough for the needed uses.

Councilmember Ward asked if the terminology could be changed from a fee to a tax because fees are not tax deductible, but taxes are.

Administrator Tucker said that she would find out if that was possible.

Councilmember Carroll asked whether the County paid for the Eadies' contract from the City's NPDES funds.

The Administrator answered that was not the case although she has been told that Eadies would likely qualify under the NPDES regulations. She recalled that NPDES funds have seven (7) uses, for instance to provide public education and to manage stormwater, with manage being the key word. She noted that some in the NPDES department of the County do not believe that infrastructure projects manage stormwater.

The Mayor noted that Administrator Tucker had suggested the possibility of co-opting with Mount Pleasant for NPDES services since they already have the staff in place; the fees would flow to the City who, in turn, would pay Mt. Pleasant to do the administration, documentation, etc.

5. Old Business – none

7. New Business

A. Review of FY17 Capital Budgets

Per the Mayor's instructions at the February meeting, Committee chairs were asked to report on the capital budgets that fall under their Committee's purview.

General Government – Councilmember Harrington, Chair, Personnel Committee

Chair Harrington reported that General Government proposed an audio/visual system for Council Chambers with an estimated cost of forty thousand dollars (\$40,000) as well as the purchase of tablets for Council, department heads, the Clerk to Council and administrative and IT staff and Microsoft Office 360 licensing software for all City users with enhanced email and increased cloud storage. Items being re-budgeted are the integrated financial software package and the court metal-detector; additionally the balance due on the radio replacements and the implementation of Phase III wayfinding signs.

Councilmember Ferencz asked whether the tablets would negate the need for the audio/visual system for Council Chambers since presentations could feed onto the tablets. In addition, she has recommended that the budget for the wayfinding signs be used to remove the "resident parking only" signs at the end of the season and to delay proceeding with the wayfinding sign initiative. She questioned that the wayfinding signs were accomplishing what they were intended to when the program began.

Responding to Councilmember Bergwerf's question about what signs were included in Phase III, Administrator Tucker stated that Stantec had developed a total island wayfinding sign plan, and the arrangement with Stantec was that each year the City would budget an amount of money to continue to install the wayfinding signs. The City would notify them of the amount budgeted and ask them to tell the City what, within that amount of money, should be the next priority. The Administrator thought that the next phase would include location signs, like the Recreation Center or the marina.

Mayor Cronin recalled that Council had considered going to electronic media for Council several years ago, but they did not make it through the budget process; laptops were the goal at that time.

Councilmember Bergwerf explained that the audio/visual system would be for the residents to see presentations made to Council and that tablets would not eliminate that need.

The Mayor stated that he wanted the use of the tablets to be an individual choice; he did not want to limit people from serving on Council because they were not comfortable using a tablet.

On the subject of savings to the City in both supplies and manpower, Treasurer Suggs pointed out that the savings would be insignificant if staff went from printing fifteen (15) copies of agendas and supporting documentation to ten (10). She also commented that the amount in the budget now was a staff estimate and that they were in the process of getting a more realistic quote.

Responding to Councilmember Ferencz' question of whether the audio/visual system was a need or a want, the Treasurer replied that it was a matter of how important it was for the audience/residents to be informed and know what is happening. Treasurer Suggs indicated that the audio/visual system could be as simple as mounting two (2) large screen televisions on either side of the dais.

Referring to the "resident only parking" signs, Councilmember Kinghorn countered that no decision should be made now on the removal or addition of signs at this time; decisions should come at the end of the season after a full study of how well the program worked.

Councilmember Ferencz asked the Treasurer to generate a project worksheet for Council relative to the managed parking program.

Building Department

Since the decision has been made to defer the replacement of the pickup truck, the Building Department would be making no budgeted capital purchases in FY17.

Police Department – Councilmember Bettelli, Chair, Public Safety Committee

The Police Department proposes replacing one (1) patrol car, one (1) SUV and the computer server that is on a three-year (3 yr.) replacement schedule; the Department's final payment for the radio replacements is three hundred fifty thousand dollars (\$350,000).

New body cameras are being proposed which will have robotics that will burn multiple DVDs without a person attending the equipment.

When asked how often the Department needs multiple DVD, Chief Buckhannon responded that many times; for court, they will need one (1) for the prosecutor, one (1) for the plaintiff's attorney and one (1) for the file.

The Chief also indicated that the City will apply for a state grant that will reimburse the City for a portion of the cost of the cameras.

Fire Department

Councilmember Bettelli reported that Chief Graham would have moved other apparatus forward had she been told the City could afford it; several of the apparatus are showing the effects of being stored outside or in tents during construction of the fire stations and now that has been compounded by the effects of Joaquin. Since their replacement is in the future, Council should

be aware that an apparatus could suffer a catastrophic failure before it is due to be replaced or the general maintenance costs could escalate significantly.

Price increases reflected in the Capital Plan are as follows:

- the replacement pumper truck purchased in 2003 was increased upward by ninety-nine thousand dollars (\$99,000);
- the 2003 ladder truck shows an increase to the replacement cost of two hundred seventy-four thousand dollars (\$274,000);
- the 2004 ladder truck has been moved from FY20 to FY19, and the replacement cost has been increased by one hundred forty-eight thousand dollars (\$148,000); and
- the annual set aside for these assets has been increased accordingly.

Councilmember Kinghorn asked whether the City had looked into grants, possibly from Homeland Security and the Department of Justice, and Councilmember Bettelli stated that staff is constantly on the lookout for grant opportunities.

Chief Graham proposes buying a Ford F-150 in order for the training office and the Fire Inspector to have separate vehicles as opposed to sharing a vehicle; this purchase would increase efficiency in the Department.

Councilmember Ferencz asked whether the Fire and Police Department could share the new pickup bought for the BSOs; the Fire Department could use it in the off-season. Mayor Cronin commented that the pickup for the BSOs is a small truck whereas the F-150 is a full size truck.

Chief Graham stated that the Department needs to replace one (1) of the older trucks, but rather than replace it, they are going to keep it and buy this new truck in its place. The heavier truck is necessary to tow the big boat safely.

Answering Councilmember Ward, the Chief indicated that the Department has four (4) trucks, and they are the Chief's, the shared truck, and one each for the captains and the battalion chiefs.

Other items in the Fire Department's proposed FY17 Capital Budget are a ram extrication device, a replacement jet ski, one thermal imaging camera, a replacement medical monitor for carbon monoxide and oxygen (upon failure), a second set of cutters for vehicle rescue, the balance of the cost of new radios and wireless signal boosters for the eight (8) mobile data terminals (MDTs).

When the City joined the Consolidated Dispatch, the equivalent of laptops were installed in the vehicles, and, for the Fire Department, what they are hearing is also being keyed in as a visual of the same information that was spoken. The devices operate on a wireless system, similar to phones; the laptops in the fire apparatus go to sleep and are disconnected from the system, requiring them to reconnect to the wireless signal and perform the double security log on. Chief Graham reported that, in using a demonstrator for the past six (6) months, only once did the MDTs log off. She added that this purchase would be a one-time expense. Chief Buckhannon stated that the large apparatus shield the signal, and, when they are in the fire bay, the building shields the signal even more.

Public Works Department – Councilmember Ward, Chair, Public Works Committee

Items in the FY17 Capital Budget include the replacement of a Ford F250 that has been deferred for the past two years, the replacement of the two (2) underground fuel tanks and the fuel pump canopy. Included each year is Mobi-mat for stabilizing beach access paths and, as in other departments, the balance on replacement radios. An amount of thirty thousand dollars (\$30,000) will be set aside, as in past years, for the Drainage Contingency, another year of Eadies' contract at seventy-six thousand eight hundred dollars (\$76,800), ten thousand dollars (\$10,000) for the remaining design and engineering work on Phase II Drainage, the re-budget of funds for the NPDES improvements at the Public Works site and an amount in excess of three hundred fifty thousand dollars (\$350,000) for the construction of the outfall for the Phase II Drainage project.

Assignments of fund balance are one hundred thousand dollars (\$100,000) for replacement garbage packers and a Caterpillar loader, the accumulation of funds for SCE&G undergrounding projects of seventy-five thousand dollars (\$75,000) and two hundred thousand dollars (\$200,000) toward the Phase II Drainage project.

Councilmember Kinghorn suggested that the City should benefit of economies of scale with six (6) tanks to be replaced.

The Administrator agreed and stated that, although rumors are circulating that the deadline will be extended, the City plans to proceed with the replacements in the upcoming budget year to avoid competing with everyone else to get the job done and pricing would increase.

According to Councilmember Bettelli, since Joaquin, many of the beach access paths flood when it rains and remain flooded for weeks after a heavy rain; he suggested getting sand-shell to build them up in low spots. Administrator Tucker asked the Councilmember to compile a list of the accesses that need to be addressed.

The Administrator reported that the City had not filed a claim with FEMA for any access paths other than at 49th Avenue, but it might be worth another look since FEMA allows the project worksheets to be re-opened.

Mayor Cronin indicated that the City needs a photo inventory of the access paths, and the Administrator said that she has one that needs to be updated.

Councilmember Carroll asked about the status of the NPDES improvements; Director Pitts reported that the design is ready to go to bid.

When Councilmember Rice asked where the Mobi-mat would be placed, the Administrator responded that the purchase in the budget was inventory that could be used wherever it was needed.

Recreation Department – Councilmember Carroll, Chair, Recreation Department

Councilmember Carroll distributed a handout that compared the Capital Plan from the “purple” budget to the proposed FY17 budget (A copy is attached to the historical record of the meeting.);

photos of the various items on the budget were attached to substantiate the need. The lights for the soccer field, installed in 1997, need to be replaced because a lot of the soccer lights no longer burn, they cannot be repaired and the wiring has rotted.

The new lights would be purchased through Musco Lighting, as were the multi-purpose field lights and tennis and basketball courts, and they come with a twenty-five year (25 yr.) warrant. The lights would be monitored twenty-four (24) hours a day, seven (7) days a week and, when there is a problem, they automatically send a technician to repair. In addition, the new lights would not bleed out, but beam directly on the field, and they would be more energy efficient.

The fencing at the baseball field has started to curl up and become a safety concern for the players; the outside basketball goals and poles are old, and frequent players are asking that the hoops and backboards be upgraded to square ones. A placeholder of thirty thousand dollars (\$30,000) was included for the replacement of HVAC units in the expansion if any one (1) or more fail. Of the four (4) outside water fountains, one (1) will be replaced at a cost of five thousand dollars (\$5,000); the golf cart also needs to be replaced for five thousand dollars (\$5,000).

Having looked at the ten-year capital plan, Councilmember Ward asked where a swimming pool, new gymnasium and a fitness room would be constructed on the property.

Director Page said that they would go at the back of the building in the area of the Bark Park; she also indicated that they were on the ten-year (10 yr.) plan as placeholders with an eye to the future. She added that she thinks the estimates are low.

On the subject of the fitness room, usage varies with the time of year; in January and February, the average number of people who use it is fourteen (14) per day. The Director stated that a new cardio room would be part of a new gymnasium.

Councilmember Kinghorn clarified that he had not suggested adding a line to the budget or the dollar-figure assigned to it; he has consistently stated that space should be found in the current footprint.

Reflecting on his meeting with the island's hospitality people, the Mayor recalled being asked how they could get the information to their guests on the activities and services provided at the Recreation Center.

Director Page stated that several of the property rental companies use the Recreation Center and its activities as a promotion or enticement to get people to rent from them.

Front Beach Area, Marina and Beach Renourishment – Councilmember Rice, Vice Chair, Real Property Committee

For the Front Beach area, Capital Purchases contemplated for FY17 include the design costs for new public restrooms at approximately one hundred one thousand dollars (\$101,000), the repair/replacement/addition of one (1) dune walkover at one hundred thousand dollars (\$100,000), the replacement of kiosk with a piece of public art at ten thousand dollars (\$10,000) and the replacement of four (4) lights near the County Park. A total of seventy-five thousand

dollars (\$75,000) would start a savings fund for the replacement of the underground infrastructure in the City-owned portion of Ocean Boulevard.

The Committee deferred the replacement of the gate and rehabilitation of the boat ramp at Breach Inlet.

Beach Restoration and Monitoring

Since the City must have all of the funds for the off-shore dredging project planned for the fall of 2016 before the project can begin, the entire cost of fifteen million four thousand dollars (\$15,004,000) was shown on the proposed budget; the total will be shared by multiple entities, but how is unknown at this time. The other items in this budget are seventy-five thousand dollars (\$75,000) for ongoing monitoring of the entire shoreline and the re-budget of twenty-five thousand dollars (\$25,000) for the update of the Beach Management Plan.

Responding to Councilmember Ferencz, the Mayor said that the City has applied for funds from FEMA, forty million dollars (\$40,000,000) is proposed for the state budget for beach renourishment, a large number has been put in the federal budget for South Carolina beaches through the Corps of Engineers, and the other stakeholders would make a significant contribution.

The Mayor paraphrased Tim Kana of Coastal Science and Engineering from the Wild Dunes Community Association meeting that this project would not be moving sand around on the beach, but adding new sand to the system; this type of project lasts approximately eight or nine (8-9) years.

Going back to the Breach Inlet boat ramp, Councilmember Carroll stated that he is trying to coordinate with neighbors of his office to pay for dredging that area if the City would agree to get the permit.

When Councilmember Kinghorn asked if the ramp could be used in other ways, Councilmember Carroll stated that the problem was the lack of parking, but both agreed that it would be an ideal spot for launching kayaks and paddle boards. Councilmember Kinghorn suggested entering into an agreement with the Exchange Club for the use of their parking lot.

Councilmember Carroll said that he would allow the City to have a floating dock beside the pier head to serve kayaks and paddle boards.

Isle of Palms Marina

For the marina, the FY17 Capital Budget includes replacing the fuel dispensers at the dock upon failure and the replacement of four (4) underground fuel storage tanks, as well as the painting of the bulkhead and the engineering and design of Scenario B (without drystack storage) of the marina redevelopment plan. The Administrator assured the Committee that the budget numbers included in the budget for the marina redevelopment were from the ATM report.

A meeting to discuss in depth the two marina (2) plans submitted by ATM has been scheduled for 5:30 p.m., Thursday, April 28th.

As suggested by Councilmember Kinghorn, Councilmembers are asked to submit their questions, comments, concerns relative to the marina redevelopment plans to the Administrator to facilitate the meeting; representatives of ATM will attend the meeting.

For Councilmember Bergwerf, the meeting would be a success if decisions were made regarding the parking that feeds into the community and the placement of the fuel dispensers; the first priority has to relate to parking.

Councilmember Ferencz stated that, for her, the focus should be ways to improve the marina for the benefit of the residents; it should be resident-centered with green space and parks.

Councilmember Carroll reiterated his opinion that, before the City makes any major financial decision, the issue should go before the taxpayers in a referendum.

Councilmember Kinghorn recalled that, in the ATM report, there were references to grants that they feel the City could get for a marina project, and he suggested establishing a cost-share as a way to get the grant because he thought to delay would also delay the start of any project for a year. In addition, he asked that the Committee consider a property acquisition fund if, in fact, the City wanted to develop a park on the island.

B. Recommendation from the Personnel Committee to award a contract to JEMS in an amount not to exceed \$16,000 for court software for Professional Services related to the online payment of criminal and traffic tickets

Administrator Tucker noted that this would be a sole source contract to ensure that it interfaces with the existing court software; documentation will be available for the City Council minutes.

MOTION: Mayor Cronin moved to award a contract to JEMS for the online payment of criminal and traffic fines; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

C. From the ATAX Committee, approval of overage of \$49.75 on cost of 2 water rescue sleds

MOTION: Councilmember Bettelli moved to approve the overage on the rescue sleds; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

D. Recommendation from the ATAX Committee for a full page advertisement on the inside back cover of *SIP Magazine* at a cost of \$3,500

Councilmember Rice stated that she had to recuse herself from voting on this item.

The Mayor reported that the hospitality group had said that they like having “glossies” in their rental units to lead guests to local restaurants and other island activities.

Lynn Pierotti, publisher of the magazine, stated that he will be mailing approximately fifty-five hundred to every property owner on Isle of Palms, Dewees and Sullivan's Island and seventy-six hundred magazine will be distributed to the rental property companies; the Number One distributor last year was the Mount Pleasant Visitors Bureau. He also distributed ad suggestions he had drawn up to promote off-season events on the island. Unlike last year, the magazine will be in Wild Dunes, meaning that he will have coverage from tip to tip on the islands.

He indicated that he was offering the back page to the Isle of Palms as a way of saying "Thank you for coming and come back again, but consider October to January when the island is not so crowded."

In the next issue, he will include a history of the JC Long houses and a story about Chief Graham; Mr. Pierotti said that he wants visitors to see how residents live their daily lives on the island.

VOTE: The motion PASSED UNANIMOUSLY.

E. Discussion of possible award of a contract for the financial audit for the City for June 30, 2016

Treasurer Suggs referred the Committee to the summary of responses from the three (3) companies that submitted proposals and stated that all three (3) were good companies that got good references. Based on only cost, Webster Rogers would get the contract, but she was impressed by the rave references given by McCay Kiddy clients. Since they are a smaller firm with a smaller staff, the Treasurer believes that City would receive hands-on treatment.

Councilmember Harrington indicated that he was concerned by the time differential between the number of hours that the firms thought would be needed for the annual audit.

Treasurer Suggs was confident that Webster Rogers would do the audit for the price quoted, but they appear not to understand what it would take. She called David Phillips of Greene, Finney and Horton, who performed the city's audit for several years, and asked him how many hours they averaged on the audit, and he responded that they spent two hundred to two hundred fifty hours (200-250 hrs.). The Treasurer stated that she found it difficult to believe that a firm with no knowledge of the City's inter-workings could do the audit in fewer hours than a firm experienced with the City. Or they might be expecting the Treasurer to do more work than she already does, which she did not think she could do.

MOTION: Councilmember Carroll moved to award a contract to McCay Kiddy and Associates for the June 30, 2016 audit; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

F. Staff recommendation to renew State contract with Xerox for copying needs for all departments for 5 years and approximately \$50,000

Treasurer Suggs stated that this would likely be breakeven with the existing contract and possibly save money.

MOTION: Councilmember Carroll moved to award Xerox a contract for 5 years and \$50,000 per state contract pricing; Councilmember Rice seconded.

In this contract, the City Hall copier would have a monthly base price, but all other copiers would be on at copy-per-copy rate.

Councilmember Carroll questioned the need for copiers when Council was going to be getting tablets, and the Mayor responded that the tablets would not eliminate the need for copiers.

Administrator Tucker noted that the copiers are actually multi-purpose machines; they copy, fax, and scan and the City Hall copier is frequently used by the Building Department.

VOTE: The motion PASSED UNANIMOUSLY with eight “aye” votes; Councilmember Ward was out of Council Chambers when the vote was taken.

8. Miscellaneous Business

Mayor Cronin reminded the Committee of the social event on Sunday, April 24th when the Isle of Palms goes to the River Dogs game and the Special Meeting at 5:30 p.m., Wednesday, March 23rd for Council’s annual legal review.

Councilmember Bettelli announced that the City had sold its old rescue truck for twenty-eight thousand one hundred dollars (\$28,100).

Next Meeting Date: 5:45 p.m., Tuesday, April 19, 2016.

9. Executive Session – not needed

10. Adjournment

MOTION: Councilmember Carroll moved to adjourn the meeting at 8:00 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk