

WAYS and MEANS COMMITTEE

5:00 p.m., Tuesday, July 19, 2016

The regular meeting of the Ways and Means Committee was held at 5:00 p.m., Tuesday, July 19, 2016 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Carroll, Ferencz, Kinghorn, Rice and Ward, Mayor Cronin, City Administrator Tucker, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business. Councilmembers Bettelli and Harrington were absent.

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 Rice moved to approve the minutes of the regular meeting of June 21, 2016 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. Financial Statements

A. Financial Statements

Mayor Cronin noted that the financial report for discussion was the preliminary and unaudited statement for FY16. The Mayor reported that revenues are at one hundred one percent (101%) of budget with one (1) more month of property taxes to be received as well as two (2) months' Local Options Sales Taxes, other fees from the state and the Comcast franchise fees. Expenditures are at ninety-eight percent (98%) of budget; General Government's over-budget status is due to the interest paid prior to July 1 with the bond re-financing and to the employee bonuses. The Fire Department is also over-budget due to the employee bonuses paid. The Mayor reminded the Committee that Treasurer Suggs stated at the June meeting that she thought the City would end up with a positive net result of approximately four hundred thousand dollars (\$400,000). Cash in the General Fund is thirty-three percent (33%) of annual expenditures.

B. Tourism Schedules

Municipal Accommodations Taxes were down in June compared to June of FY15 because the occupancy was down in May at the resort and elsewhere on the island. Currently, the fund is running four percent (4%) behind FY15. The City has not received the payment due from the Charleston County Accommodations Tax Pass-through or State Accommodations Taxes. Hospitality Taxes are one percent (1%) ahead of FY15; the Mayor reminded the Committee that in June of last year, a major taxpayer paid delinquent taxes and interest.

C. Parking Projects Schedules

In the City parking lots, profits to-date are one hundred twenty-five thousand four hundred dollars (\$125,400); City revenue for the summer of 2015 was one hundred seventy-seven thousand one hundred dollars (\$177,100).

The budget for the managed beach parking program has a remaining balance of twenty-three thousand fifty-four dollars (\$23,054), but one (1) payroll and fringe benefits expenditures need to be added to the schedule.

As planned, the previous weekend was the first without an attendant in the parking lots; if the need arises, personnel can again be scheduled.

5. Old Business – None

6. New Business

A. Recommendation from the Public Works Committee to amend the City's contract with Schupp Enterprises to increase the beach garbage removal to 7 days a week at an additional cost of \$1,082 per week (State ATAX, page 27, Contracted Services – line 306)

MOTION: Councilmember Ward moved to amend the Schupp contract as stated above; Councilmember Bergwerf seconded.

Councilmember Rice asked if the additional services would be for twelve (12) months of the year. Mr. Schupp reported that he thought the daily servicing of the garbage bins would end about the middle of August when school resumes. In addition, he explained that the City only paid for services rendered, i.e. if a day was a rain-out and garbage removal was unnecessary, the City would not be charged.

The Mayor added that Mr. Schupp's services would begin again in April or May.

Mr. Schupp noted that the trash cans are full and running over every day; the volume of trash has been overwhelming.

VOTE: The motion PASSED UNANIMOUSLY.

B. Recommendation from the Real Property Committee to award a contract in the amount of \$9,000 to Johnson, Mirmiran & Thompson (JMT) for an evaluation of the problem(s) associated with the bulkhead at the marina to include recommendation(s) for remediation (Marina Fund Expenditures, page 37, Professional Services – line 40)

MOTION: Councilmember Bergwerf moved to award a contract in the amount of \$9,000 as detailed above to JMT; Councilmember Rice seconded.

The problem associated with the bulkhead is that areas of erosion have developed on the landside of the bulkhead that have raised concerns about the bulkhead. In order for the City to learn what caused these areas, what should be done about them and how to prevent them from reoccurring, the City processed an RFP and received six (6) proposals from equally qualified firms. The first step in the evaluation was reviewing the proposals to determine how each company had followed the directions in the RFP, which eliminated only two (2); the remaining four (4) were interviewed

by the members of the Real Property Committee. The final decision was made on the basis of the information provided in the proposals, comments from the references and the interviews. Of the respondents, one (1) is an island resident and another has a long-term familiarity with the marina; none of the interviewees expressed concern about the bulkhead itself; all said it was in good condition. One common thread through the interviews was that the stormwater runoff under Morgan Creek Grill needed to be corrected, but no one said that was the source of the problem. Using all of the information they had gathered, the Committee recommends JMT for the work.

VOTE: The motion PASSED UNANIMOUSLY.

C. Status on Funding for Beach Restoration, State Historic Preservation Office (SHPO – Underwater Archaeologist)

Administrator Tucker commented that Committee members have been receiving emails to keep them up-to-date on the beach restoration progress. When the off-shore dredging was done in 2008, the City had to have a cursory archaeological review of possibilities of things that were under the sand. The City marked those and identified the borrow areas based on that, and that was the process the City expected to occur with this project. In addition, the City would have to commit that, if something were discovered, the project would stop and the City would take the appropriate action; the City would also stay out of areas where the investigative work had been done that indicated something was underneath. In the 2008 project, the City got a cannonball from the renourishment project.

Since 2008, the state's underwater archaeologist has received a grant that was matched by the State of South Carolina, and he has been conducting a lot of diving and studying of shipwrecks off the coast, very specifically, the First Stone Fleet and the Second Stone Fleet shipwrecks. As a result of that work, there is an area off the coast of the Isle of Palms that is being proposed to receive a designation on the National Register of Historic Places. Usually the review for the State Historic Preservation Office comes later in the process; however, since federal funds may be involved in the project, the review has happened earlier. In order to get federal dollars, the City must get the checkmark from the SHPO review, and the City did not get the checkmark because two (2) of the borrow sites are in the area being proposed for National Register of Historic Places. The underwater archaeologist thinks the entire landscape in that area is historic, and SHPO has, in effect, said that they will not sign off until the City moves its borrow site.

The Administrator explained that a borrow site is selected based on sediment samples which are core samples that then are evaluated for sand content, shell content, clay, mud, etc. The selection for a borrow site considers the location with the most compatible sand content to put on the beach.

The City's engineer has taken more core samples to determine if there is an opportunity to shift or move around the existing borrow site. The City does not want to go further off shore to avoid this proposed historic site which would cost the City more money on the project because the pumping would have to be longer.

Since there was a small balance remaining in the contingency fund in the current contract with Coastal Science and Engineering, the City is using those funds to pay for the additional borings.

One (1) borrow site is completely out of the “historic area,” but the unanswered question is whether or not there is enough sand there for the entire project. In addition, contractors like to have three (3) borrow sites in case the sand in one (1) goes bad and they need to relocate.

The possibility for a FEMA grant remains if the City can accommodate SHPO; the City was notified that the twenty-five percent (25%) local share would be paid by the SC Emergency Management Division once the project is funded. In addition, the state budget was adopted with thirty million dollars (\$30,000,000) allocated to beach renourishment.

When Councilmember Kinghorn asked about the size of the historic area, Mayor Cronin replied that it was about one (1) square mile.

The Administrator informed the Committee members that the ships that have been located were part of the Union blockade of Charleston Harbor during the Civil War to keep goods and services from delivery to the Confederacy.

7. Miscellaneous Business

Mayor Cronin reported that the City has been awarded thirty-five thousand dollars (\$35,000) from Charleston County CTC funds to improve the drainage at the handicap parking spaces on 21st Avenue.

Next Meeting Date: 5:00 p.m., Tuesday, August 16, 2016

Councilmember Kinghorn asked whether consideration had ever been given in the past to holding a session in the fall of the year where Council would give direction to the Administrator in preparation of the budget; he thought that to do so might expedite the budget process.

The Mayor did not recall having such a meeting in the past, but he thought that it could be arranged before the budget cycle begins.

8. Executive Session – not necessary

9. Adjourn

MOTION: Councilmember Ward moved to adjourn the meeting at 5:35 p.m.; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk