

WAYS and MEANS COMMITTEE
5:45 p.m., Tuesday, January 19, 2016

The regular meeting of the Ways and Means Committee was called to order at 5:45 p.m. 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, Attorney Halversen, Assistant Administrator Frago and Clerk Copeland; a quorum was present to conduct business.

1. Administrator Tucker 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. Election of Chair and Vice Chair

Councilmember Bergwerf nominated Mayor Cronin to serve as Committee Chair, and Councilmember Ferencz nominated Councilmember Ward. Her nomination speech follows:

I wish to nominate Council member James M. Ward for Chairman of Ways and Means

Mayor Cronin is already involved with the Council of Governments, the Charleston Visitors Bureau, and a Board Member of the Municipal Association of South Carolina. In addition he attends a plethora of meetings with our City Administrator including the County, FEMA, SCDOT and Legislative Committees on our behalf.

Council Member Ward on the other hand is assigned to ONLY ONE Committee....Public Works allowing him much more time to give to this most important committee

In addition Council Member Ward meets frequently with our Treasurer since they speak the same financial language and has a grasp for details necessary to our burgeoning budget. Our "over budgeted" items are becoming the norm rather than the exception and need to be viewed with a more critical eye. As the only Certified Public Accountant on Council he can give us that guidance.

The position of Chair of Ways and Means is not new to him in that he served in this position during the tenure of Mayor Carmen Bunch. This will be an enormous asset during the budgeting process.

For these reasons, I ask that Council Member James M. Ward be nominated for Chair of the Isle of Palms Way and Means Committee.

In addition I ask that these statements be included in their entirety into the minutes of this meeting, but since there seems to be a problem with my voice being audible on tape, I have a copy of my statements for Marie. Thank you.

Mayor Cronin was elected Chair on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward casting the dissenting votes.

Councilmember Ferencz nominated Councilmember Ward for the position of Vice Chair, and Councilmember Harrington nominated Councilmember Kinghorn. Councilmember Kinghorn was elected Vice Chair on a vote of 6 to 3 with Councilmembers Carroll, Ferencz and Ward cast the dissenting votes.

3. Approval of Previous Meeting's Minutes

MOTION: Councilmember Bergwerf moved to approve the minutes of the regular meeting of November 17, 2015 as submitted; Councilmember Harrington seconded and the motion **PASSED UNANIMOUSLY**.

4. Citizens' Comments – None

5. Financial Statements – Treasurer Suggs

A. Financial Statement

Financials to be reviewed are for the first half of the fiscal year, meaning that the target is fifty percent (50%). In the General Fund, revenues are at twenty-six percent (26%) of the annual budget, and expenditures are at forty-four percent (44%) of the annual FY17 budget. In the comparison with last fiscal year, Property Taxes appear to be significantly ahead of last year because the last November payment was received in December this year and in early January last year. The other revenue sources are similar to FY15. Total cash is one point nine million dollars (\$1,900,000) higher than last year; the increase can be attributed primarily to the Beach Preservation Fee. In General Fund expenditures, all departments are under budget except Mayor/Council, which was impacted by the one-time payment of salaries in November.

B. Tourism Funds

The Municipal Accommodations Taxes are running four percent (4%) ahead of FY15; the City has not yet received the December quarter for State ATAX or the first semi-annual payment from the Charleston County Accommodations Tax Pass-through. Hospitality Taxes appears to have had a very good December, but in her research, Treasurer Suggs found that several late November payments were not in the bank until December; the fund is running ten percent (10%) higher than FY15. Collections of Beach Preservations Fee total nine hundred fifty-one thousand dollars (\$951,000).

Mayor Cronin recognized that the City's tourism funds continue to increase and budgeted into the State Accommodations Tax is fifty-thousand dollars (\$50,000) each year to support initiatives that will put "heads in beds" on the island. The Mayor suggested that he invite the principals with local property management companies and members of the hospitality and food and beverage businesses to share with them the fact that the City has money that could be used to benefit all if the City has programs and activities that are worthwhile. One idea the Mayor has is to produce a five-minute (5 min.) video about island life and give it to each business to use for their own purposes – put on their own website, put it on their welcome screen, take pictures from it to use for promotion etc.

The Mayor acknowledged that the Charleston Visitors Bureau does a lot of advertising for the island on its website and drop-down sections and other links, but the Mayor was thinking of something more homespun. The video would not only promote tourism, but also entice people to want to live on the island.

Councilmember Rice stated that she has been thinking of adding a fun, island-themed sculpture for the Front Beach or the Recreation to be a spot for visitors to have their own photo-ops, like the very large chair at the Okra Grill.

6. Old Business

A. Status of Internal Control Audit

Administrator Tucker noted that, in the original timeline for the internal control audit, a presentation of the report was schedule for January, but the FEMA work has interfered with the completion. The presentation will be at the February Council meeting.

B. Status of Annual Audit Engagement

Since the City's commitment to Greene, Finney and Horton has been completed, the Administrator placed this subject on the *Agenda* to learn whether the City wanted to enter into another engagement letter with them or to go out to bid.

MOTION: Mayor Cronin moved to go out for a Request for Proposals for a competent auditing firm; Councilmember Carroll seconded.

The Mayor said that he has had no problem with Greene Finney and Horton, and they may be the successful party, but he thought it might be useful to look around.

The Administrator recalled from the presentations for a firm to perform the internal control audit, that one (1) firm stated that, as part of their regular financial audit, they also randomly select a department for an internal control audit. In the Administrator's opinion, such a procedure would mean constant improvement; if Council was interested, a provision could be included in the RFP.

Mayor Cronin asked how such an internal control audit process could be priced since there would be much less work in the Building Department than in the Fire or Police Departments.

VOTE: The motion PASSED UNANIMOUSLY.

7. New Business

A. Recommendations from the Public Safety Committee

- 1. Award of a contract to Mobile Communications for 4 portable radios and accessories for Parking Management Program in the amount of \$19,018.02, state contract pricing (MUNI ATAX, Police Department Capital purchase, page 40, \$20,000)**

MOTION: Mayor Cronin moved to award a contract to Mobile Communications as stated; Councilmember Bettelli seconded.

Councilmember Carroll reported that these radios were for the additional Beach Services Officers (BSOs) who would be hired to enforce the managed beach parking program and asked why they cost so much.

The Mayor reminded him of the thousands of dollars Council is setting aside for radio replacements in a couple of years.

VOTE: The motion PASSED UNANIMOUSLY.

2. Award of a contract to Love Chevrolet for one 2016 Chevrolet Colorado Pickup Truck in the amount of \$27,600, state contract pricing, for the Parking Management Plan (MUNI ATAX, Police Capital Purchase, page 40, \$30,000)

MOTION: Mayor Cronin moved to award the contract to Love Chevrolet as detailed above; Councilmember Harrington seconded.

Councilmember Carroll noted that four (4) low-speed vehicles have been purchased for the parking management plan then asked whether this would be a four (4) wheel drive vehicle.

After Chief Buckhannon acknowledged that the small truck would have four (4) wheel drive, Councilmember Bergwerf stated that she was of the opinion that having another vehicle that could go on the beach was a plus for the Police Department.

Councilmember Ferencz asked whether the truck would be large enough to haul signs, and the Mayor commented that the small truck was used every weekend to put out the crossing signs and things along that order.

Councilmember Kinghorn asked how many vehicles were in the Police Department, and Chief Buckhannon replied that the Department had twenty-one (21) sedans and two (2) pickups. The Councilmember then asked what the Department would do without this truck.

Chief Buckhannon explained that the pickup trucks were used in multi-faceted areas; BSOs do a lot of sign maintenance, carrying the signs and the poles; they also do things like trimming trees and bushes around signs during the summer months. To do the trimming, they must carry that equipment around the island; they deliver and pick up the crosswalk signs on the weekends; they also assist animal control and help with calls on the beach – carrying equipment and people on and off the beach.

Councilmember Kinghorn indicated that the City was doing all of these things now, and the Chief noted that the difference will be that the number of BSOs was expanding to provide an island-wide presence. Currently their presence is concentrated in the business district.

When Councilmember Ferencz commented that the truck would be parked in the off-season, the Chief stated that the season for the Police Department was from the beginning of March through

September, and he tries to keep as many BSOs as possible after October 1 to assist with the maintenance that is needed.

VOTE: The motion PASSED UNANIMOUSLY.

3. **Award of a contract to Benson Ford for one 2016 Ford Police Interceptor Sedan (marked) in the amount of \$24,415, state contract pricing (Hospitality Tax Fund, Police Department Capital Purchase, page 40, \$32,000)**

MOTION: Mayor Cronin moved to award a contract to Benson Ford as stated above; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

B. Recommendation from the Personnel Committee

Consideration of designating President's Day as a declared holiday in lieu of the personal day of choice for 2016 and subsequent years

Administrator Tucker reported that last year City Council had granted employees two (2) additional holidays, one of which was a personal day of choice that means any member of the City staff, during the course of a calendar year, can declare a day a holiday when the City would not be closed. The Department Managers appealed to the Personnel Committee to change the day of choice to a declared holiday; several options were offered to the Committee who ultimately decided upon President's Day. In essence, an action of Council would do away with the personal day of choice and declare President's Day a City holiday when City offices, except Public Safety, would be closed.

MOTION: Councilmember Harrington moved to change the personal day of choice for City employees to a declared holiday, President's Day, for 2016 and future years; Councilmember Bettelli seconded.

Mayor Cronin stated that the biggest problem he sees with the day of choice is scheduling and knowing when people are in or out to be able to run the full shift or to ensure that all necessary tasks are covered.

Administrator Tucker noted that the personnel costs of a holiday was approximately ten thousand three hundred dollars (\$10,300).

Councilmember Bergwerf asked for the rationale from the various departments.

Director Page stated that the personal day of choice was particularly difficult for the small departments. In her opinion, a personal day of choice was another day of annual leave contrasted with a holiday when offices was closed. In the Recreation Department, when someone is out for whatever reason, someone must cover for them, and the Director said she is really in a bind if someone is taking a personal day and someone else calls in sick.

The Director also spoke for the Public Works Department, recalling that Director Pitts had explained that the majority of residents on the island believe that the City offices are closed anytime they know that the County or the State is taking a holiday. As a result, these residents do not put their garbage/debris out to be picked collected; what ensues is that the Public Works Department and City Hall get numerous phone calls that the resident needs a special pickup because he did not know the City had operated that day.

Chief Graham explained that for the Fire Department, if someone takes a personal holiday they would get eight (8) hours of holiday pay, but the Department would have to pay twenty-four (24) hours of overtime to cover the slot.

Mayor Cronin stated that he was assuming that the overage could be absorbed in the existing budget since no request for a budget exception has come forward.

Chief Buckhannon remarked that personnel in the Police Department are not allowed to take leave from March 1 through September.

VOTE: The motion PASSED on a vote of 7 to 2 with Councilmember Carroll and Ward casting the dissenting votes.

C. Recommendation from the Public Works Committee

Award of a contract to Vic Bailey Ford for one F350 Ford 4x4 truck with 6-yard garbage hopper in the amount of \$44,206, state contract pricing (Public Works Capital Purchases, MUNI ATAX, page 42, \$44,000)

MOTION: Mayor Cronin moved to award a contract to Vic Bailey Ford as stated above; Councilmember Carroll seconded.

Administrator Tucker noted that the price was over budget by two hundred six dollars (\$206).

VOTE: The motion PASSED UNANIMOUSLY.

D. Award of a contract to Motorola for radio/walkie maintenance in the amount of \$12,858, state contract pricing, for the Police Department (\$6,228) and the Fire Department (\$6,630) (Police Department, Maintenance and Service Contracts, page 10, \$6,516 and Fire Department, Maintenance and Service Contracts, page 12, \$6,960; total \$13,476)

MOTION: Mayor Cronin moved to award a contract to Motorola for radio/walkie maintenance for the Fire and Police Departments in the amount of \$12,858; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

E. Discussion from the Real Property Committee of consideration of beach season 2016 City management of the municipal parking lot

The Mayor commented that the existing provider of this service has decided not to continue so Council must decide whether to go out for proposal or to manage the lots with City employees.

If the City were to assume management, the employees tending to the lot would be seasonal employees, maybe BSOs, or that type of person once meeting all of the criteria established for BSOs.

Having initiated the discussion in the Real Property Committee, Councilmember Bergwerf stated that, with the changes the City will have to work through with the parking management plan, she anticipates the utilization of the lots to be quite different this year. She also expressed the opinion that getting a new proprietor might be more complicated than the City's running the lots in this initial year of the parking plan.

In addition, Councilmember Bergwerf asked what the County Park charged for parking, and she was told seven dollars (\$7) per day during the week and ten dollars (\$10) per day on the weekend.

Mayor Cronin commented that he had already been thinking of raising the daily parking rate to match the County Park and to use the additional money to establish a sinking fund for the construction of the public restrooms. He reiterated that the City is going to be required to have a substantial fund to add to whatever outside money it might get; he noted that he has stated the City's position to both Charleston County and the State Parks Recreation and Tourism Committee where he has gotten nodding heads but no offers of money.

Responding to Councilmember Ferencz' statement that the City should outsource the management of the parking lots, Councilmember Bergwerf said that the City should keep the money since the information clearly shows that the lots are a lucrative venture.

Councilmember Carroll voiced concern over liability and insurance if the City were to assume the management of the parking lots; he added that, often in a cash business, not all of the day's collections make their way into the bank.

The Mayor opined that the Police Department is already being burdened with the new parking management plan beginning in March and adding staffing and managing the parking lots was too much to ask of them in year one of the parking plan.

MOTION: Mayor Cronin moved to generate an RFP for management of the municipal parking lots and to advertise it as required as quickly as possible; Councilmember Carroll seconded.

In the meantime, Chief Buckhannon will be advertising and interviewing for BSOs in hopes of hiring enough to staff the parking lots if none of the bids received meet Council's requirements.

Councilmember Kinghorn commented that the City's management of the parking lots should be a good source of revenue for the City, but he wanted to see the lots utilized twelve (12) months a year.

The Mayor suggested that the City could add an option to the RFP for generating revenue from the lots in the off-season.

According to Administrator, in the 2012 RFP, the base rent amount was one hundred thousand dollars and that the primary factor to a prospective bidder would be whether or not the investment of time would make the job worth undertaking. On that same line, the Administrator opined that the RFP should include the new rates, if they are approved.

VOTE: The motion PASSED UNANIMOUSLY. (Councilmember Ward was out of the room when the vote was taken.)

MOTION: Mayor Cronin moved to raise the daily rates to match those of the County Park, i.e. \$7 per week day and \$10 per day on the weekends and holidays; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY. (Councilmember Ward was not present for the vote.)

F. Consideration of an award of a contract to A&H Company, Inc. in the amount of \$58,900 for the fabrication and installation of signs for the Managed Beach Access Parking Plan.

MOTION: The Mayor moved to award the contract for signs for the Managed Beach Access Parking Plan to A&H Company, Inc. in the amount of \$58,900; Councilmember Bergwerf seconded.

The Mayor noted that the recommendation from Director Kerr to award the sign contract to A&H Company, Inc. was included in meeting packets.

Councilmember Carrol asked for reassurance that the low bidder was offering the same product as the other bidders and whether the low bidder was offering a warranty.

Director Kerr reported that the City has a close relationship with a local sign manufacturer who was very useful in assessing the bids and was instrumental in writing the bid specifications. The large difference in the bids caused concern with the Director and other members of staff; therefore, he compared the A&H bid to the local companies and learned that the materials they would use are identical to the other and that the materials would be coming from the same supplier.

In talking with A&H personnel, the Director learned that in Minnesota the ground is too hard to penetrate and A&H needs the work; he noticed that areas in the South are very busy.

Councilmember Ferencz asked how many signs the City would get for the bid amount, and the Administrator responded that City would receive four hundred forty-four (444) signs, but some poles would have two (2) signs on them.

Treasurer Suggs explained that one hundred seventy-one (171) new poles would be added to accommodate the number of signs.

Councilmember Ferencz noted that these signs would be in place twelve (12) months a year for the beach season that lasts from May to September; she opined that the residents were not a

consideration when the sign plan was devised. The Councilmember asked if all of these signs were really necessary.

The Mayor reminded the Committee that there could be no enforcement without the signs.

Councilmember Ferencz continued that no one had considered the negative impact to the quality of life on the island; every corner on Waterway Boulevard will have a sign. The only way she could approve the bid award would be for the signs to come down at the end of the season.

Councilmember Bergwerf explained that the signs were needed to enforce no parking in the neighborhoods.

Councilmember Ferencz warned that the City would need a large maintenance budget because she “guaranteed that, as fast as the signs go up, they will come down.” In her opinion, visitors would not be parking on Hartnett to go to the beach.

Councilmember Bergwerf noted that, with all of the construction in Mount Pleasant, the crowds on the island will grow incrementally.

Councilmember Ferencz asked for the data on how many tickets were issued and where the vehicle was parked when the ticket was issued.

Councilmember Rice agreed with Councilmember Ferencz that the signs should come down at the end of the season.

Councilmember Carroll suggested placing signs at the end of the streets and no signs on the interior of the block.

Councilmember Kinghorn advocated for Council to make a decision on the contract award and have the appropriate Committee assess the parking plan after it has been in place one beach season.

MOTION: The motion PASSED on a vote of 6 to 3 with Councilmembers Ferencz, Rice and Ward casting the dissenting votes.

G. Discussion of post-Joaquin emergency beach work to re-establish dunes on the western end of the island.

The Mayor noted that FEMA has finally assigned a person who is knowledgeable about the beach, and he has made several visits to the City to evaluate beaches and offer proposals. The FEMA person saw the problems at both the eastern and western ends of the island.

The concern voiced by the Mayor for the Breach Inlet beach is that, in certain areas, the City has lost all of the primary dunes, meaning that the homes in those areas have no protection in the event of a storm. The consideration was to move forward under a Corps of Engineers emergency permit, which appears to be open to the State of South Carolina, to hire a firm to move sand by

mechanical means, bulldozer, to the areas in front of those property creating a dune. The Mayor stated that he had been told that this work could be done for about twenty-five thousand dollars (\$25,000).

MOTION: Mayor Cronin moved to authorize Coastal Science and Engineering, using up \$25,000 from the Beach Preservation Fee fund, to contract to move adequate amounts of sand to protect the those properties where the primary dunes have disappeared; Councilmember Kinghorn seconded.

Responding to Councilmember Bergwerf's question, the Administrator confirmed that the City would have to get a permit from OCRM to do this work but will not need to pursue a permit from the Corps of Engineers since they have already been issued one.

The Mayor reiterated that the work would be done under an emergency condition to protect those properties without primary dunes.

Councilmember Carroll stated, that in Wild Dunes, each property owner is paying his share of the cost for beach restoration. He then asked if any property at Breach Inlet was in imminent danger, and the Mayor answered in the negative but noted that, in the event of a storm, they would be in danger.

Administrator Tucker reported that the topography of the western end of the island makes it very difficult for members of the Fire Department to launch a jet ski for a water rescue.

The Administrator reported that the City is still in dialogue with FEMA regarding 49th and the eastern end of the island.

Mayor Cronin stated that the City would not take any further actions until speaking with OCRM, and he expected to know more by the time Council meets next week.

VOTE: The motion PASSED on a vote of 7 TO 2; Councilmembers Carroll and Bergwerf cast the dissenting votes.

In addition, the Mayor indicated that the eastern end of the island will be under consideration by FEMA, once all of the documentation has been submitted. Of South Carolina beaches affected by Joaquin, only three (3) are likely to have applications for FEMA; they are Hilton Head, Edisto and the Isle of Palms. The Mayor opined that Hilton Head will likely not qualify because they had already initiated an off-shore dredging project when the storm came through. The Mayor has been told that Governor Haley has included forty million dollars (\$40,000,000) in her budget for beach renourishment for the coming year under Parks, Recreation and Tourism; of that total two million six hundred thousand dollars (\$2,600,000) is earmarked for the City of Isle of Palms.

Administrator Tucker noted that FEMA worksheets are an obligation of money; once the work is done, the municipality gets reimbursed; later there is a "truing up" followed by an audit – the possibility always exists that something on the worksheet will be disallowed or the reverse where the amount is increased.

8. Miscellaneous Business

FY17 Budget Calendar

Councilmember Ferencz asked that a work session by the Ways and Means Committee be held after each section of the budget has gone through committees, i.e. revenue, capital and expense budgets. The Mayor said that he would look for an available time.

The Mayor asked whether any Committee member(s) would entertain holding the meetings earlier than 5:45 p.m., but no one responded.

Next Meeting Date: 5:45 p.m., Tuesday, February 16, 2016

9. Executive Session – not needed

10. Adjourn

MOTION: Councilmember Bettelli moved to adjourn the meeting at 7:27 p.m.; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk