

WAYS and MEANS COMMITTEE

5:45 p.m., Tuesday, June 15, 2010

The regular meeting of the Ways and Means Committee for the City of Isle of Palms was held at 5:45 p.m., Tuesday, June 15, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Loftus and Thomas, Vice Chair Duffy, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. Absence was excused for Councilmembers Buckhannon, Piening and Stone and Mayor Cronin.

1. Vice Chair Duffy 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 Loftus moved to approve the minutes of the regular meeting of May 18, 2010 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments - None

4. Financial Statement – City Treasurer Suggs

A. May Financial Statement

Treasurer Suggs began her comments by explaining that, although June is the last month of the fiscal year, revenue and expenditures received in July and/or August that reflect activity for June would be recorded for June; therefore, there will not be preliminary year-end numbers until all June revenues and expenditures are received.

According to the Treasurer, revenues in the General Fund are at eighty-four percent (84%) of budget, and, since the printing of the meeting's information, the City has received an additional two hundred twenty-eight thousand dollars (\$228,000) in Insurance License collections. In reviewing certain of the large revenue accounts, Treasurer Suggs noted the following:

- Property Tax collections are at one hundred percent (100%) of budget with two (2) months remaining; May and June collections this year are expected to equal those of 2009, which were fifty thousand dollars (\$50,000).
- Local Option Sales Taxes are over sixty-eight percent (68%) of budget with two (2) month's collections remaining; those two (2) months in 2009 generated one hundred forty-four thousand dollars (\$144,000). Assuming that 2010 collections are the same, the year's revenue in this category would end slightly less than budget.
- Large revenue items yet to be collected are the half million dollars (\$500,000) of Insurance Licenses and Public Utilities of over three hundred thousand dollars (\$300,000), which is primarily due from SCE&G franchise fees that is expected to equal or exceed 2009 collections. The Treasurer reported that she had been told by MASC staffers, who collect Insurance License Fees for the City, that licenses were lower than in previous years.

- Residential Rental License Income is over budget by twenty-six thousand dollars (\$26,000), nearly nine thousand dollars (\$9,000) over budget in Telecommunications Licenses, Building Permits are over by eleven hundred dollars (\$1,100) and Animal Licenses are over budget by twenty-three hundred dollars (\$2,300).

In order to meet General Fund Revenues, the City needs to collect one million two hundred fifty-five thousand dollars (\$1,255,000) to meet budget, and Treasurer Suggs expressed confidence that the funds would be received.

Expenditures in the General Fund are also at eighty-four percent (84%) of budget with all departments under the budgeted target of ninety-two percent (92%) except Judicial, which, as was reported last month, is over budget due to higher than anticipated legal expenses. Major expenditures that will come before year-end are three (3) payrolls in June and a semi-annual property and liability insurance payment. With one million three hundred thousand dollars (\$1,300,000) remaining in budgeted expenditures, the Treasurer believes that expenditures by the end of the year will be close to one million dollars (\$1,000,000).

Cash at BB&T is receiving an interest rate of 0.4% with funds deposited with the LGIP receiving 0.3644% interest. At June 9, 2010, cash available was at twenty-eight percent (28%) of General Fund expenses.

Councilmember Loftus asked Treasurer Suggs what she was forecasting for year-end, and she stated that she continued to believe that the City would end the year with a gain of between three hundred and four hundred thousand dollars (\$300,000-400,000).

Treasurer Suggs reported that FY10 budget included twenty-three thousand dollars (\$23,000) for the purchase of a vehicle for the Victim's Advocate from the Victims' Assistance Fund. The fact that the FY11 budget funds half of the Victim's Advocate's salary from the Victim's Assistance Fund and that the Victims' Advocate Officer actually splits her time equally between serving as a general detective and the Victim's Advocate Officer. The State Victim's Advocate Office suggested that the FY10 budget should be changed to fund only half of the vehicle cost from the Victim's Assistance Fund, as well as half of the salary from the Victim's Assistance Fund in FY10.

B. Tourism Schedules

State ATAX has not changed since last month because the funds are received quarterly.

Municipal Accommodations Fees collections in May were only one thousand dollars (\$1,000) less than for the same month last year; year-to-date, collections have increased by two percent (2%) over the same period in 2009.

County Accommodations Tax is paid semi-annually, and the next payment is expected to be about the same amount as the first payment.

City Hospitality Tax receipts for May were good; one (1) delinquent restaurant paid seven thousand dollars (\$7,000) to become current with its taxes. This revenue source is down two percent (2%) from the same period last year.

C. Project Schedules

1. Beach Restoration

Treasurer Suggs reported that she had thoroughly scrutinized the billings appearing on this schedule to ensure that areas outside of the 2008 project area had not been included in error; she expressed confidence in the fact that the schedule reflects only expenses incurred for work inside the project area. The only financial activity for May 2010 was an invoice for post-project monitoring from Coastal Science and Engineering and bank service charges.

2. Public Safety Building – no activity in May 2010

3. 52nd to 57th Avenue Drainage Project

The Treasurer introduced this new schedule, which separates pre-construction activity from construction costs; the construction costs begin with the cost-sharing project with the Wild Dunes Community Association, the first step in the process. The box at the lower left of the schedule reports the funds on-hand for the project, including three hundred eighty thousand dollars (\$380,000) reserved by the City plus six hundred ninety-seven thousand dollars (\$697,000) in grant funds from Charleston County Transportation Commission and interest earned. In the box on the lower right is the computation of the balance remaining for the project, which is just over eight hundred thousand dollars (\$800,000).

Administrator Tucker explained that, when this schedule is provided next month, it will include budgeted estimates provided by Civil Site Environmental for the collection, transmission and outfall portions of the project.

5. Old Business

Administrator Tucker highlighted the changes that appear in the “blue” version of the budget that were made at the last Ways and Means Committee meeting; they are as follows:

- A decrease to the merit pool and related fringes from 3.5% to 2%;
- Refinement to the health insurance expenses to actual;
- An increase in Legal Expenses by \$7,500 based on actual year-to-date;
- A change in the transfer between Capital Projects and the General Fund;
- The addition of CTC grant revenue;
- The addition of private contribution monies to the Beach Restoration Fund; and
- The reduction in expenses for Victim’s Assistance fund based on the purchase of the camera and certain accessories from the FY10 budget.

The net change to the budget was a decrease of twenty-five thousand six hundred twenty-three dollars (\$25,623) to the FY11 budget.

6. New Business

- A. Consideration of amendment to Civil Site Environmental's contract for the expanded project scope of design and engineering for 52nd to 57th Avenues Drainage Project.

Administrator Tucker directed attention to the maps provided for Committee members delineating the project as it is currently proposed.

Assistant Dziuban reminded the Committee that Council had, in its April meeting, approved a study by Civil Site Environmental to determine the feasibility of expanding the scope of the drainage project to include 52nd and 53rd Avenues. The study was completed and Mr. Stevens appeared before the Public Works Committee to review the positive findings; he has, therefore, presented the City with an amendment to his contract for the design, engineering and permitting of the expanded project in the amount of thirty-three thousand eight hundred eighty dollars (\$33,880.)

Assistant Dziuban read the following summary of the project from the Public Works minutes:

“ . . . extending the proposed pipes to 53rd Avenue, to increase the pipe dimensions of the existing design to increase capacity and to install a new outfall from the Wild Dunes lagoon systems to increase the discharge capacity of the system. The new outfall would consist of a control structure to be placed in Lake 6 with the outfall tied to an existing culvert under Racquet Club Road. . .

. . . solution would provide relief of flooding and a reduction in duration of standing water in large storm events . . .”

The addition of 52nd and 53rd Avenues to the project adds approximately one hundred five thousand dollars (\$105,000), according to preliminary estimates, for an estimated project total of eight hundred nine thousand dollars (\$809,000).

MOTION: Councilmember Bettelli moved to approve the amendment to the existing Civil Site Environmental contract in the amount of \$33,880; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Vice Chair Duffy informed the Committee members that the added scope improves the overall drainage for the area, including people who were not a part of the original study, as well as people in Wild Dunes.

Mr. Stevens stated that he plans to issue the bid document in October and that construction should take three to four (3-4) months.

B. Recommendations from the Public Safety Committee

1. Award a contract to Bobcat in the amount of \$39,732.80 for 4 ATVs (3 for the Fire Department and 1 for the Police Department)

Administrator Tucker commented that the cost stated on the AGENDA does not include the sales taxes on the vehicles; the corrected total is \$42,708.76. The Administrator stated that action taken tonight would put the City in a position to get the Bobcats into service for this summer season, and, if the procurement process were not initiated until after July 1, the units could not be purchased and put into use this season. The ATVs are budgeted in the FY11 budget year in the amount of eleven thousand dollars (\$11,000) each, or forty-four thousand dollars (\$44,000).

Administrator Tucker explained that both Chief Graham and Chief Buckhannon wanted to get this specific model that has an aluminum frame because it has proven to withstand the salt air better than the steel frame. Councilmember Bettelli added that the aluminum-framed model was being discontinued.

MOTION: Councilmember Bettelli moved to award a contract to Bobcat in the amount of \$42,708.76 for 4 ATVs to be purchased after July 1, 2010.

The Administrator stated that, since this product is available through state contract, the City would be not required to seek competitive bids.

Councilmember Loftus asked how many ATVs were in the City's vehicular fleet, and Chief Graham responded that there were four (4) ATVs currently owned by the City. Councilmember Loftus then asked how it had happened that the entire group had to be replaced at one time; the Chiefs replied that replacements had been deferred in two (2) separate budget years.

VOTE: The motion PASSED UNANIMOUSLY.

2. Purchase Victim's Advocate camera and a portion of the accessories in the amount of \$1,727.67 from the FY10 budget.

Administrator Tucker stated that, in reviewing the FY10 budget, she learned that there were funds available in this year's budget to accommodate a portion of the total cost attributed to the Victim Advocate's camera in the FY11 budget. The Administrator explained that she had placed this item on the AGENDA because the FY11 budget has not been approved and she did not want to obligate the City to make the balance of the purchase if any objections to camera acquisition existed.

MOTION: Councilmember Loftus moved to purchase the Victim Advocate's camera and a portion of the accessories totaling \$1,727.67 from the FY10 budget; Councilmember Thomas seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Vice Chair Duffy encouraged everyone to attend the Disaster Preparedness Expo on Friday, June 18 from 5 to 7 p.m. In addition to the public safety and emergency preparedness entities that one would expect to see at this type of event, more than forty (40) exhibitors will participate as well.

Next Meeting Date: 6:35 p.m., Tuesday, July 20, 2010.

8. Executive Session, if needed - None

9. Adjourn

MOTION: Councilmember Loftus moved to adjourn the meeting at 6:35 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk