

WAYS AND MEANS COMMITTEE

5:45 p.m., Tuesday, August 16, 2011

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, August 16, 2011 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Duffy, Loftus, Piening, Stone and Thomas, Mayor Cronin, Administrator Tucker, Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland.

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 July 19, 2011 as submitted; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizen's Comments – None

4. Financial Statement – Treasurer Suggs

A. July Financial Statement

Since July is the first month of the fiscal year, Treasurer Suggs indicated that the majority of financial transactions in the month had actually been for June, 2011 – the end of the FY11 fiscal year. General Fund revenues for the month, at three percent (3%) of annual budget, were in line with those for the same period the prior year. General Fund expenditures were seven percent (7%) of annual budget; the target for the first month of the fiscal year is eight percent (8%).

Cash in the bank totaled two million six hundred seventy-one thousand dollars (\$2,671,000), which represents thirty-two percent (32%) of annual General Fund expenditures.

B. Tourism Schedules

All tourism funds have been collected for FY11 and are reflected in the following information:

State Accommodations Taxes were nine and a half percent (9.5%) higher than FY10 and higher in total than any year previous.

Municipal Accommodations Taxes ended the year seventeen percent (17%) higher than FY10. The Charleston County Accommodations Tax Pass-Through returned to its original formula for payments to local governments in the county, resulting in the City receiving twenty-one percent (21%) more in FY 11 than in FY09 and one hundred forty-one percent (141%) more than in FY10.

Hospitality Taxes increased eight percent (8%) over FY10.

Treasurer Suggs described FY11 as the “best year ever” for tourism revenues.

Councilmember Loftus commented that the fact that tourism revenues have increased validates the City's decision to ban smoking contrary to what some island restaurateurs predicted.

C. Project Status

1. Beach Restoration Project

Expenditures for July were for grading escarpments on the beach and for Chris Jones' consulting services. The balance remaining in the fund is nine hundred ten thousand eight hundred seventy-eight dollars (\$910,878).

2. 53rd to 57th Avenue Drainage Project

No expenditures for this project occurred in July; the City did receive three hundred eighty-six thousand dollars (\$386,000) that had been requested from Charleston County – the final money due the City for allocations from the Charleston Transportation Committee and Transportation Sales Tax funds.

3. City Hall Renovation

No expenditures were made in July for this project. The schedule does reflect the reclassification of the budget for the demolition and site rehabilitation for 1301 Palm Boulevard.

Councilmember Loftus asked the Administrator whether a timeline had been established for the work at 1301 Palm. Administrator Tucker responded that two (2) actions must be addressed before demolition can occur; they are relocating (1) the computer controls for internet access and (2) the electrical controls for the security gate from that building to the Public Works building. The tasks have been assigned to the department managers who report that they have had a difficulty finding contractors willing to take such a small job, particularly a contractor to do the underground boring.

5. Old Business – None

6. New Business

Recommendation from the Public Safety Committee to Award a Contract in the amount of \$23,374, state contract pricing, to Benson Ford Mercury for one 2012 Ford F250 Pickup Truck included in the FY12 budget to be funded equally from the Capital Projects and Municipal Accommodations Tax.

MOTION: Mayor Cronin moved to approve the truck purchase; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

7. Miscellaneous Business

Mayor Cronin related that he had met with the Chairman of the Charleston County Public Library Board of Trustees who explained that the Board is developing a plan for the County public library system; he stated that he had provided his input and encouraged Councilmembers to share their thoughts as well.

Councilmember Bergwerf asked whether the Poe Library on Sullivan's Island was in jeopardy; Mayor Cronin said he had been told that the Poe Library is a "gem" in the County's system.

Administrator Tucker informed the Committee that the maintenance contract on the City's radios, which is a state contract, exceeded the FY12 budget estimate for the Police and Fire Departments by a total of twenty-four hundred thirty-four dollars (\$2,434). The Administrator added that efforts will be made to compensate for the overage in other areas.

As Treasurer Suggs distributed the Fund Balance Rollforward schedule with the preliminary figures for FY11 added, Mayor Cronin stated that the ending numbers are a good indication of the balances in the various City funds once the audit has been completed. The Mayor noted that the City anticipates have a surplus of approximately four hundred thousand dollars (\$400,000) at the end of FY11, and Council will need to decide how to distribute those funds at a later date. Mayor Cronin commented that he has asked staff to make recommendations about the best use of the surplus.

The Mayor stated that he and the Treasurer were in a quandary about how the Local Option Sales Tax (LOST) distributions could diminish while the tourism activity has shown an increase. The City has requested an explanation of the calculations of LOST distributions in an effort to better understand and forecast future receipts. The Mayor reminded the Committee that the City passes all of the Local Options Sales Taxes to the residents as a credit on their property taxes.

Mayor Cronin directed attention to the tourism fund balances and commented that the City had not had to draw on reserves in FY11 has had been planned when the budget was prepared.

The Mayor remarked that he plans to schedule a Special Meeting in September to re-affirm the millage rate; he stated that the present plan is to be revenue neutral whatever the change due to the County's reassessment.

Councilmember Loftus asked the Administrator whether the marina tenants were current with the rent due to the City. Administrator Tucker referred the Councilmember to page 51 of the monthly financial statement that indicates that all tenants are current.

Next Meeting Date: 5:45 p.m., Tuesday, September 20, 2011

8. Adjourn

MOTION: Councilmember Bettelli moved to adjourn the meeting at 6:05 p.m., Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk