

## WAYS and MEANS COMMITTEE

5:45 p.m., Tuesday, March 20, 2012

The regular meeting of the Ways and Means Committee was held at 5:45 p.m., March 20, 2012 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present for the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Loftus, Stone, Thomas and Ward, Mayor Cronin, City Administrator Tucker, City Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland. A quorum was present to conduct business.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

### 2. Approval of Previous Meeting's Minutes

**MOTION:** Councilmember Stone moved to approve the minutes of the regular meeting of February 21, 2012 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments - None

4. Financial Statements – Treasurer Suggs

#### A. February Financial Statements

Being two-thirds ( $\frac{2}{3}$ ) through the fiscal year, the target is sixty-seven percent (67%); General Fund expenditures are at fifty-eight percent (58%) overall for the City's departments, while General Fund revenues are at fifty-five percent (55%) of budget. General Fund revenues continue to be low due to the collection issues Charleston County is experiencing relative to property taxes. Since the end of February, the City has received an additional six hundred fifty thousand (\$650,000) in property which that takes property taxes receipts to seventy percent (70%) of budget. Cash on-hand has improved to thirty-one percent (31%) of annual General Fund expenses.

#### B. Tourism Schedules

Municipal Accommodations Fees continue to trend ahead of FY11; collections year-to-date are eleven percent (11%) greater than the same period in FY11.

State Accommodation Taxes and the Charleston County Accommodations Tax Pass Through have had no activity since the past meeting.

Hospitality Taxes are also ahead of FY11. Treasurer Suggs recalled that Councilmember Ward had inquired about the large difference between in January collections in 2011 and 2012; she researched to numbers and found that, in 2012, two (2) payees paid who had been delinquent. February collections also show a significant increase over the same month in 2011; checking the detail, the Treasurer found that one payee caught up on delinquent taxes and penalties totaling ten thousand dollars (\$10,000).

Treasurer Suggs stated that the City collects penalties, but not interest on late payments.

C. Projects Status

1. Beach Restoration

For the next meeting, the contract to Baker Infrastructure Group for two hundred thousand five hundred dollars (\$250,500) the 2012 Shoal Management Project will be added to the top section of the schedule. Payments were made to Coastal Science and Engineering relative to the current project.

2. Dredging

The change orders going before the Committee have been added to the top section of the schedule and reflect a reduction to the contingency and an addition to the construction costs.

Recent payments reflect the cost to remove pilings, the second application to Marcol and contracted services from GEL.

3. 53<sup>rd</sup> to 57<sup>th</sup> Avenue Drainage

Treasurer Suggs reported that Charleston County has accepted the documentation the City provided for spending related to CTC grants; the only anticipated activity for this project is the cost of relocating the line for the construction of the pool for The Villages. Pursuant to a request from the Mayor, this schedule will not be put before the Committee until those expenditures have been paid.

**5. Old Business**

**Prioritization of Projects Greater than \$250,000**

Included in meeting packets were the results of this exercise from each Committee and the resulting compilation of those lists. Administrator Tucker noted that this is the first time that two (2) committees have duplicated efforts; she did report that all committees appear to want to proceed with replacing the ball-field lights which impacts the Capital Budgets.

The final priority list for projects greater than a quarter million dollars (\$250,000) is as follows:

1. Drainage Project at 42<sup>nd</sup> to 52<sup>nd</sup> Avenue
2. Increase Disaster Recovery Fund
3. Recreation Ball-field – lights only
4. Bicycle and Pedestrian Infrastructure Additions
5. Island-wide Parking System
5. Underground Wiring Projects

Councilmember Loftus asked to review the funds that would be available should the City have a natural disaster imminently. Administrator Tucker explained that, in part, the purpose of the Disaster Recovery Fund is to allow for cash flow immediately after the event or storm preparations. This is a time when all revenues stop and the flow from FEMA and insurance

proceeds have not started, but this is the time that the City's residents need the City's people infrastructure the most. At a time like this, the City could utilize other sources of money on the understanding that the money would be paid back.

Mayor Cronin listed money sources as the following:

- \$2.2 million Unassigned funds at the end of FY12
- \$2.5 million General Funds
- \$300,000 Beach Maintenance
- \$500,000 Ball-field lights
- \$1.3 million Capital Projects
- \$2 million Unallocated Tourism funds
- \$1 million Unassigned, unallocated marina funds

The Mayor added that FEMA reimburses funds that have been spent, but the City has to have an officially-recognized storm event, not a glancing blow like Irene was to Folly Beach.

Councilmember Ward sought a clarification on the term "unallocated tourism funds;" the Mayor stated that these funds had not been assigned to a specific purpose. Councilmember Ward then noted that the Mayor was referring to fund balances.

From experiences he had during Hurricane Hugo, Councilmember Ward said that he did not think the City could have too much money in the Disaster Recovery Fund; he indicated that in taking the CPI into consideration, the City should have thirty-four hundred thousand dollars (\$3,400,000) at a minimum.

With the budget workshop looming on the horizon, Mayor Cronin asked Treasurer Suggs to roll forward the forecasted FY12 balances into the fund balance schedule to have for the workshop.

Councilmember Stone stated that he has a problem with the prioritization list because he did not look forward to the citizens' seeing that a drainage project that would affect possibly one hundred (100) residents took precedence over a parking management plan, or ball-field lights as more important than parking. From a citizen's point of view, he thought parking should be THE priority.

Councilmember Bergwerf noted that the City had money in-hand for the ball-field lights, whereas the City does not even have a plan relative to parking.

Councilmember Bettelli commented that all six (6) items were a priority to him, but the north end of the island is one (1) of the few remaining areas of the island that has drainage issues.

Mayor Cronin suggested that the list remain intact as priorities for the City without numbering them in any way.

**MOTION: Councilmember Bettelli moved to adopt the list as stated as priorities for the City; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

**5. New Business**

**A. Recommendation from the Public Works Committee for the award of a sole source contract in the amount of \$43,290 to PermaTrak for materials for the replacement of the public restrooms beach access**

Assistant Dziuban circulated photos of the existing dune walkover for the Committee to understand the need for replacement. The Assistant recounted that eighty thousand dollars (\$80,000) had been included in the FY12 budget for the replacement of a dune walkover; after assessing the dune walkovers on the island, Directors Pitts and Kerr recommended the replacement of the dune walkover behind the Front Beach public restrooms. The decision then became what material should be used, and staff returned with a recommendation for PermaTrak, a concrete-based product that looks like wood. The material was selected for being low maintenance and estimated life of between forty and fifty (40-50) years. She indicated that, although OCRM is sympathetic with the City's product selection, they are going to require a permit to ensure that the work does not alter the primary dune in any way. The staff is recommending that the product be purchased now under the FY12 budget, and then re-budgeting the balance to accomplish the labor in FY13 after the receipt of the permit. If the permit is issued quickly, the project would be completed under the FY12 budget.

Mayor Cronin asked if there was a possibility that the City would acquire the material but not be issued a permit; Administrator Tucker stated that Director Kerr had met with the OCRM representative at the site and had been assured that the permit would come through.

The Administrator informed the Committee that this is a sole source award because this is the only vendor in the region who carries the materials.

In addition, the Administrator said that she has learned that, with the permit situation, the possibility exists that OCRM will plus or minus the City on the length or height of the walkover in the permit; therefore, she was possibly asking for lower than the forty-three thousand dollars (\$43,000) quoted here or for no more than seven thousand dollars (\$7,000) more than stated.

Councilmember Carroll asked whether the material carried a guarantee; the life quoted is an estimate, not a warranty. He, then, asked where the materials would be stored; Assistant Dziuban responded that the vendor had agreed to store until time for construction.

Councilmember Bergwerf asked what the incentive was to buy now, and, according to Director Kerr, the materials would not be purchased until the permit was issued.

Director Kerr reported that the survey and design have been completed; he has a second meeting with OCRM on Wednesday to determine at what elevation above the dune is going to be required. The City has been told that the permit will take six (6) weeks, which will put the City into the season so that the construction would be delayed until after.

Councilmember Buckhannon indicated that he did not see the need to act now when nothing would happen until after the season.

Administrator Tucker explained that, between the time the item was placed on the Public Works Committee's agenda and this meeting, the City has had multiple meetings with OCRM and learned different things. Originally the hope was that the work could be done more as a maintenance issue, despite the fact that the new walkover will be wider.

**MOTION: Councilmember Loftus moved to defer action until the next meeting; Councilmember Stone seconded.**

Councilmember Thomas questioned the award as sole source; Administrator Tucker replied that this was a sole source due to its longevity and low maintenance which is important for this particular path. Mayor Cronin stated that the material appears to be a good product for the application.

**VOTE: The motion PASSED UNANIMOUSLY.**

**B. Recommendation from the Real Property Committee for change orders for Marcol Dredging (approximately \$29,500 from contingency)**

1. Dredging 12 hours at \$500/hour for hard material near Intracoastal Court
2. Dredging 12 hours at \$500/hour for hard material behind the fuel dock
3. Dredging 25 hours at \$500/hour for hard material behind Tidal Wave dock
4. Dredging 10 hours at \$500/hour for hard material near restaurant dock

**MOTION: Councilmember Loftus moved to approve the change orders as detailed above; Councilmember Buckhannon seconded.**

Administrator Tucker had an aerial view of the marina that pointed out the areas affected by the change orders; she noted that the dredging contract had a caveat that, if the contractor encountered hard material that required him to stay in an area for a protracted amount of time to effect the goal, the City will be notified and the work in those areas would be at a rate of five hundred dollars (\$500) per hour. The Administrator recalled that when dredging was done last, the desired depth had been eight (8) feet, and the contractor did not get too close to the bulkhead for fear of its failing. The silting from the 41<sup>st</sup> Avenue easement has accumulated under the dock near IntraCoastal Court to the point that the dock sits on land at dry dock; the City has produce a waiver of liability that the property owner has signed and executed.

Councilmember Carroll voiced his understanding that the need to dredge at IntraCoastal Court is due to the silting from the 41<sup>st</sup> Avenue easement and that the dredging will go to a depth of twelve (12) feet. Administrator Tucker confirmed his understanding and clarified that the depth will be determined by the contractor's ability to access the area without coming into close proximity to the SCE&G cable. Councilmember Carroll then asked what was to keep the next dock owner from claiming that he/she needed dredging also from silting; the Administrator explained that the City had authorized an engineering study that confirmed the problem was the result of drainage from the easement. Mayor Cronin added that the 41<sup>st</sup> Avenue easement serves one-third ( $\frac{1}{3}$ ) of the island. Councilmember Carroll queried what was to prevent others on the island who have docks near an easement to make the same claim; the Administrator

stated that, in that case, the City would authorize another study to make the final determination about the owner's claim.

Councilmember Stone explained that the engineer had recommended that the City limit its expense by defining a specific period of time for the work to be accomplished rather than a dollar amount.

**VOTE: The motion PASSED UNANIMOUSLY.**

**D. Recommendation from the Real Property Committee to award a sole source contract to Low Country Marine due to dredging timing in the amount of \$24,400 from the Marina Fund for the removal, construction and installation of a new floating dock for Tidal Wave Water Sports**

**MOTION: Mayor Cronin moved to approve the award to Low Country Marina as stated above; Councilmember Stone seconded.**

Mayor Cronin reminded the Committee that Administrator Tucker had alluded to this action at the February meeting. The Administrator recalled that twenty-five thousand dollars (\$25,000) had been included in the FY12 budget for the design, engineering and permitting of new docks for Tidal Wave; the Committee recommended using those funds for the dock replacement rather than spending more of the project contingency. The Administrator indicated that this is being issued as a sole source due to the time requirements to have a contractor available.

Councilmember Stone remarked that, by replacing the docks in the existing footprint, no permit is required, and no design and engineering are necessary.

For the short period of time that the Tidal Wave dock is out of use, the marina manager has offered an alternate location from which the business can operate.

**VOTE: The motion PASSED UNANIMOUSLY.**

Before moving to a review of the City's FY13 operating budgets, Administrator Tucker offered pictures of the completed walkway and pad at the City compactor that was approved recently.

**D. Review of FY 2012-2013 Operating Budgets**

Mayor Cronin distributed a schedule for the personnel and personnel-related expenses for the City from 2010 through the FY13 budget estimates. The schedule shows a steady upward trend of seven point four percent (7.4%) with individual wage increases of less than three percent (3%); this increase represents three hundred thousand dollars (\$300,000) from 2007 to 2013 projected. These increases have been covered through property tax revenue increases, which the Mayor does not expect to see in the future. He expressed the opinion that the City will need to find other sources of revenue to support its employees in the future.

Councilmember Ward noticed that Workers Compensation insurance has doubled in the time frame covered and asked for an explanation. Treasurer Suggs offered that in FY11 the City was the recipient of some favorable credits from its carrier; the figures for FY12 and FY13 are estimates based on fifty percent (50%) of the favorable credits; she does not expect the actual to be the budgeted amount. Administrator Tucker commented that one bad accident affects the City's experience rating for three (3) years. Mayor Cronin stated that he had researched further into the history and found that the expense in 2008 was one hundred fifty-two thousand dollars (\$152,000) and in 2009, one hundred thirty-two thousand dollars (\$132,000). Mayor Cronin attributes the lower actual figures to the training and safety requirements placed on the City's personnel.

Initiating the budget discussions, Administrator Tucker recounted the budget changes that affect every City department as follows:

- Three percent (3%) merit pool;
- Six percent (6%) increase to health insurance effective January 1, 2013;
- Charleston County radio user fees increasing from twenty-five dollars (\$25) per radio per month to thirty eight fifty (\$38.50) per radio per month;
- Fuel costs at four dollars and a quarter (\$4.25) per gallon; and
- Retirement for regular personnel going from nine point five three five percent (9.535%) to ten point six (10.6%) and for public safety personnel going from eleven point seven six five percent (11.765%) to twelve point three percent (12.3%).

Mayor and Council

Group Health	\$30,623
When City moved to state health plan, who would participate was unknown; reduced to actual.	
Memberships and dues	50
New organization of state-wide mayors; first year	
Telephone and cable	1,100
Reduced based on actual	
Insurance	2,116
Premium adjustments	

Overall, the Mayor and Council FY13 operating budget is reduced by twenty-three percent (23%).

General Government

Debt Service – Principal	416,000
Based on actual	
Debt Service – Interest	326,612
Based on actual	

Bank service charges	35,000
Estimate of fees related to accepting credit/debit cards; may be able to pass on to users	
Dues and memberships	4,380
Based on actual	
Electricity and gas	4,200
Reduced based on actual	
Telephone and cable	8,619
Reduced based on actual	
Water and sewer	2,500
Reduced based on actual	
Maintenance and service contracts	21,885
Detailed in attached schedule, based on actual	
Cleaning and sanitary supplies	2,000
Reduced based on actual	
Advertising	7,500
Reduced based on actual; cushion for required <i>Post and Courier</i> ads	
Insurance	18,657
Detailed in attached schedule	
Employee Training	14,200
Reduced based on actual	
Professional Services	31,210
Reduced based on actual; detailed in attached schedule	

Overall the General Government FY13 budget has a two percent (2%) increase over FY12.

Councilmember Loftus asked if the line for “printing and office supplies” could be reduced because usage trends closer to ten thousand dollars (\$10,000) annually; the Administrator agreed to research.

Councilmember Loftus commented that money was budgeted for software training in FY12 and again in FY13; he wanted to know what was being planned. Administrator Tucker explained that this year the task has been assigned to someone in the Building Department to locate a trainer who will come to the island to provide the training.

The Administrator added that tuition reimbursement is also in the line for “employee training,” and one (1) employee postponed his/her classes.



Police Department

Wages	1,232,781
Reorganization in the department upon the retirement of Lt Wright lessened impact of merit pool on wages and overtime	
Memberships and dues	1,500
Based on actual	
Electricity and gas	22,000
Based on actual; FY11 actual reflected billing error by SCE&G	
Telephone and cable	42,804
Increase primarily due to Charleston County radio user fees increase	
Water and sewer	4,500
Based on actual	
Maintenance and service contracts	47,521
Based on actual, detailed in attached schedules	
Cleaning and sanitary supplies	1,750
Decreased based on actual	
Rents and leases	2,400
Decreased based on actual	
Employee training	8,980
Decreased based on actual	
Professional services	5,500
Decreased based on actual	

Overall the Police Department budget is flat for FY13 with no increase or decrease.

Fire Department

Printing and office supplies	6,500
Decreased based on actual	
Meetings and seminars	1,000
Decreased based on actual	
Electricity and gas	42,000
See Police Department	
Telephone and cable	39,996
Increased primarily due to Charleston County radio user fee increase	
Water and sewer	8,500
Decreased based on actual	

Maintenance and service contracts	42,046
Based on actual, detailed in attached schedules; impacted by move to Consolidated Dispatch and items out of warranty	
Uniforms	24,500
Increased based on actual	
Cleaning and sanitary supplies	3,000
Reduced based on actual	
Medical and lab supplies	15,000
Reduced based on actual	
Rents and leases	3,500
Increased based on actual	
Employee training	12,500
Reduced based on actual	
Miscellaneous and contingency	6,000
Reduced based on actual	

Overall, the Fire Department budget increases two percent (2%) from FY12.

Councilmember Loftus commented that, based on year-to-date actuals, the vehicle maintenance line could possibly be an opportunity to reduce the budget; the Administrator agreed to review with the Treasurer and Chief Graham. Councilmember Buckhannon recounted that the exposure to the elements when the department was operating out of trailers adversely impacted vehicle maintenance in the past.

Councilmember Carroll asked clarification on “volunteer fire points;” Administrator Tucker explained that, when volunteers serve, they accrue points for being active – they are an incentive to be active volunteers. The points translate to financial awards.

### Public Works

Wages and salaries	457,713
Includes the addition of one (1) mid-level person whose responsibility would be to provide facilities maintenance on the City's buildings	

Responding to Mayor Cronin's query, Councilmember Buckhannon reported that the Public Works had not supported the addition of this position. Assistant Dziuban stated that no motion had come from the Committee to remove the position from the FY13 budget.

**MOTION: Councilmember Ward moved to remove the facilities maintenance position from the FY13 Public Works Operating Budget; Councilmember Buckhannon seconded.**

Mayor Cronin noted that the Public Works Department had eliminated a position in FY12; he recommended that the departments should begin to track the expenses in both time and money to maintain the City's facilities for better understanding of the cost effectiveness.

**VOTE: The motion PASSED UNANIMOUSLY.**

Memberships and dues Increased based on actual	450
Telephone and cable Increased primarily due to Charleston County radio users fees	8,881
Non-capital tools and equipment Decreased based on actual	1,500
Uniforms Purchase of replacement t-shirts and hoodies	7,425
Medical and lab supplies Increased for replacement safety gloves and glasses	3,250
Professional services Decreased based on actual	1,000
Temporary labor Increased based on actual	169,335
Contracted services Decreased based on fewer trips to 4B	12,500
Garbage cart procurement Based on purchase of 75 gallon carts	7,600

The Public Works FY13 operating budget increases overall by six percent (6%) over FY12 budget.

Councilmember Loftus indicated that staff is looking into any cost-savings that would be obtained by purchasing smaller roll-out carts; he is of the opinion that, when single-stream recycling begins, residents will no longer need or want the larger roll-out carts because they will be recycling more.

When asked, Director Pitts stated the County indicates, unofficially, that single-stream recycling will begin on the island in June.

Building Department

Administrator Tucker remarked that changes to the Building Department FY13 are primarily reductions to costs from relocating to City Hall.

Electricity and gas Reduced based on actual	4,200
Telephone and cable Reduced based on actual	5,040
Water and sewer Reduced based on actual	2,500
Maintenance and service contracts Reduced based on actual	5,406
Professional services Reduced based on actual	7,000

Overall, the Building Department FY13 operating budget decreases by one percent (1%) from FY12.

Recreation Department

Vehicle maintenance Reduced based on actual	2,000
Electricity and gas Reduced based on actual	36,000
Telephone and cable Reduced based on actual	11,526
Water and sewer Reduced based on actual	4,300
Non-capital tools and equipment Reduced based on actual	1,500
Special events/activities Increased to include videographer for video postings to City website	20,500
Summer camps Increased based on actual	14,000

The FY13 operating budget for the Recreation Department includes a one percent (1%) increase as presented.

Judicial and Legal

Part-time wages Reduced because City has one (1) judge for municipal and livability courts	18,000
Printing and office supplies Reduced based on actual	4,000

Memberships and dues Reduced based on actual	200
Maintenance and service contracts Reduced based on actual	4,000
Employee training Reduced because Judge Molony will not be required to attend training required of Judge Harper	2,000
Professional services Increased based on actual	48,000

The Judicial and Legal operating budget has been reduced by four percent (4%) from the FY12 budget.

#### Parking Meter Department

Bank service charges New item; bank charges for processing coins and currency; previously done in-house by employee	1,000
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This budget increases two percent (2%) from FY12 operating budget.

The total FY13 departmental operating budgets have a one percent (1%) increase over FY12.

#### Municipal Accommodations Fee Fund Expenditures

##### Front Beach Area

Telephone and cable Includes service to call boxes	1,500
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Administrator Tucker recounted the discussion at the Real Property Committee to remove this item from the budget due to the infrequency of use and to account for the fact that everyone has a cell phone.

Councilmember Buckhannon commented that the process to replace the call boxes is in the budget along with the service contracts and the air cards; the Committee believes that the infrequency of use and costs associated with the call boxes are sufficient reasons to eliminate these costs from the budget.

Councilmember Ward asked if the data on the number of calls placed from the call boxes was available and whether the call boxes had actually been used in an emergency to save someone. Chief Buckhannon stated that he did not have the number of calls at the meeting, but he did have that information. The call boxes exist only for emergencies and only dial 911; there have been instances of an emergency at the beach and the call boxes have been used. Each call box uses cell phone technology; the cost is thirty dollars (\$30) per month for the three (3) boxes and five hundred twenty-five or five hundred fifty dollars (\$525-550) per box for annual maintenance. The Chief recalled that the boxes are used two to four (2-4) times a month.

Councilmember Ward said that, if the boxes are used to find one (1) child or to save one (1) life, then they are needed.

Mayor Cronin suggested that the Public Safety Committee continue this discussion at their April meeting.

Administrator Tucker noted that, at the Personnel Committee, the recommendation had been made to add the holiday gathering to the General Government budget in the amount of ten thousand dollars (\$10,000); it will appear in the version of the budget distributed next month.

The Real Property Committee asked staff to research the possibility of reducing the line item for "Miscellaneous and Contingency."

#### Front Beach Public Restrooms and Area Maintenance

Water and sewer Increased based on actual	14,000
Maintenance and service contracts Increased based on actual	10,000

#### Beach Restoration Fund

Administrator Tucker stressed the fact that six hundred thousand dollars (\$600,000) is included in the budget for a potential focused erosion project in FY13, or possibly 2014, which has no source of funding at this time. Based on information from the engineers, the City is at a point where it must gather the stakeholders to begin assembling money for such a project.

Councilmember Carroll queried about the use of two point two million dollars (\$2,200,000) of unallocated tourism funds toward this project should the beach experience an expected emergency shoal attachment; the Administrator confirmed his understanding.

Councilmember Ward asked who was included in the term "stakeholders;" Administrator Tucker said that the stakeholders would vary based on where the project actually occurs, but, considering where the shoal is attaching, they would be the members of the Wild Dunes Community Association, the individual condominiums and homes that border the location where the shoal attaches, and Wild Dunes resort.

The Administrator further clarified the project as one (1) with the goal of avoiding a repeat of the situation the City experienced in 2007 when it had to choose between coming up with money quickly or cleaning houses and condos off the beach.

As a point of information, the Mayor remarked that the Isle of Palms is one (1) of only a few municipalities in Charleston County that collects only three percent (3%) in accommodations taxes; Charleston County gets two percent (2%) and the City gets one percent (1%). The City of Charleston and the City of North Charleston get four percent (4%); Hilton Head has

established a Beach Preservation Fund getting two percent (2%) of their accommodations taxes, and the county keeps nothing.

### Marina Fund

Administrator Tucker recalled that the Committee had questioned legal fees associated with the marina and were told that legal fees related to the marina and its tenants are paid from this line.

Councilmember Loftus reminded the Administrator that she was to clarify why advertising appears under “General and Administrative” and “Marina Operation;” she responded that advertising is a provision in the leases and would have the detail for the budget workshop.

### Marina Operations

Insurance

77,753

Administrator Tucker explained that dock insurance is very expensive because it is a high-risk item and, based on the value of the docks, the City is under-insured. The City is gradually increasing the insured value.

Councilmember Stone asked whether the Administrator could provide the percentage of the value that is insured; she indicated that she would have that for the Real Property Committee meeting.

Having concluded the review of the operating budgets for FY13, Mayor Cronin set the Budget Workshop as part of the April 17<sup>th</sup> Ways and Means Committee meeting.

## **7. Miscellaneous Business**

### **Upcoming Possible Lease Negotiations**

Administrator Tucker reported that, at the Real Property Committee, a lengthy discussion took place related to requests from the Marina Outpost and Marina Joint Ventures for consideration of amending the lease agreements; the Committee will work with the City Attorney for the changes. Both entities have suffered with the downturn in the economy; one (1) consideration they are requesting is some financial relief. Other issues of less import to the City were also identified; one (1) possibility is to have two (2) amendments – one that would address these lower priority issues and a second addressing the financial aspects of the lease. The tenant has assured the Committee that financial responsibilities incurred to this point will be honored.

The Administrator pointed out that, when the leases were written, the City wanted to ensure that it would profit as profits at the marina improved, but the leases do not have provisions for the opposite situation occurring.

The Administrator reminded the Committee that the City has worked with another tenant at the marina for lease relief in the past; to renegotiate with this tenant would be consistent with previous actions.

Mayor Cronin urged the members of the Ways and Means Committee to read the minutes of the Real Property Committee and to get copies of the leases in question. If anyone has questions or concerns, he asked that they be directed to members of the Committee.

**Next Meeting Date: 5:45 p.m., Tuesday, April 17, 2012**

8. **Executive Session** to receive legal advice related to a potential claim arising out of City lease agreement

**MOTION: Councilmember Loftus moved to go into Executive Session for the reason stated at 7:50 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.**

The Committee returned to regular session at 8:20 p.m., and Mayor Cronin announced that the Committee had taken no action and no vote while in Executive Session.

9. **Adjourn**

**MOTION: Councilmember Bettelli moved to adjourn at 8:21 p.m.; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk