

Ways and Means Committee
5:45 p.m., Tuesday, March 18, 2014

The regular meeting of the Ways and Means Committee for the City of Isle of Palms was held at 5:45 p.m. on Tuesday, March 18, 2014 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers, Bergwerf, Bettelli, Buckhannon, Carroll, Ferencz, Harrington, Loftus and Ward, Mayor Cronin, Administrator Tucker, 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 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 February 18, 2014 as submitted; Councilmember Carroll seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. **Financial Statements – Treasurer Suggs**

A. Financial Statement

The financial statement for review at this meeting is through the first eight (8) months of the fiscal year, February 28, 2014; therefore, the target for General Fund revenues and expenditures is sixty-seven percent (67%). In the General Fund, revenues are at seventy-one percent (71%) of budget while overall expenditures are at fifty-nine percent (59%) of budget; with the exceptions of the Mayor/Council and Judicial Departments, expenditures for all departments are below budget. General Fund revenues compared to budget and prior year Property Taxes are at ninety-three percent (93%) and ahead of collections this time last year, caused mainly by timing; the Treasurer is confident that Property Tax revenues for FY14 will meet or exceed budget. With the receipt of forty-one thousand dollars (\$41,000) since the reports were generated, the Treasurer stated that collections continue to run ahead of FY13. At the end of February, the City had three million four hundred thousand dollars (\$3,400,000) cash on-hand; this amount represents thirty-eight percent (38%) of budgeted General Fund expenditures.

B. Tourism Funds

January was a good month for Municipal Accommodations Fee, with collections in excess of twenty-eight thousand dollars (\$28,000); this fund is running nine percent (9%) ahead of the same period in FY13.

There have been no changes in the State Accommodations Taxes or the Charleston County Pass-through since the February meeting.

Hospitality Taxes are running ten percent (10%) ahead of FY13 despite the fact that one (1) payer is delinquent by three (3) months.

C. Projects Status

The City incurred no new expenses for the Phase II Drainage project since the last meeting.

Treasurer Suggs directed attention to page 2 of the Beach Restoration schedule and stated that the City has been carrying an amount in the Remaining on Contracts number as a placeholder for any lingering professional services related to either the original project or the shoal management project. The engineers have advised the City that these contracts are complete and the projects have been closed out; the City is re-budgeting twenty-five thousand dollars (\$25,000) in the FY15 for professional services related to beach management in case the City needs the services of Chris Jones or other professionals. Remaining to be spent for this project is six hundred sixty-four thousand dollars (\$664,000).

For the replacement of the watersports dock, the City paid SCE&G eighteen hundred thirty-five dollars (\$1,865) related to the electrical power source on the dock.

Administrator Tucker noted that for the April meeting, the Salmons Dredging contract will be on this schedule.

There was also no activity on the parking management/wayfinding signs project in February.

5. Old Business – None

6. New Business

A. Recommendations from the Real Property Committee

1. Recommendation to increase to \$50 the annual parking lot pass fee from the current fee of \$45

Administrator Tucker stated that the Committee recommended the increase from forty-five dollars (\$45) to fifty dollars (\$50); this is the Schupp contract to manage the lots. Mr. Schupp indicated that he sells between one hundred fifty and two hundred (150-200) annual passes each year.

The Committee asked staff to research why the fee was lowered in 2013, but initial research found nothing to explain the change; there were no customer complaints; therefore, staff does not see any inhibition in increasing the fee.

MOTION: Councilmember Loftus moved to approve the annual parking lot pass to \$50; Councilmember Bergwerf seconded.

Responding to Councilmember Carroll's question about the price of an annual pass at the County Park, Administrator Tucker said that the minimum fee was sixty-five dollars (\$65) for parking at all Charleston County Parks; the daily rate is eight dollars (\$8).

Councilmember Ward asked whether the additional five dollars (\$5) would go to the General Fund or to the contractor; Administrator Tucker responded that the money would be collected by Mr. Schupp who will pay the City based on the terms of the lease with the City.

Councilmember Buckhannon asked when the rates changed, and the Administrator voiced her speculations on the issue that the fee was refined downward in his re-bid to keep the contract in 2012.

Councilmember Carroll queried that the City should involve Stantec as they are the parking experts that the City has hired. He also expressed the concern that raising the rate would drive visitors into the neighborhoods for free parking.

Administrator said that her understanding that many of the annual parking lot passes were purchased for employee parking by businesses on Front Beach more than beach visitors.

Mr. Schupp said that the fifty dollar (\$50) annual fee is down from 2012 when the rate was fifty-five dollars (\$55); the fee was reduced to forty-five dollars (\$45) in the new contract, he added that buyers did not complain about paying fifty-five dollars (\$55). He confirmed that the majority of the passes are sold to Front Beach businesses; the remainder is sold to frequent visitors from the mainland and island residents who want to be guaranteed of parking when coming to Front Beach.

VOTE: The motion PASSED UNANIMOUSLY.

2. Award of a contract to Lawns Done Right, Inc. in the amount of \$9,000 for the clearing and cleanup of Mayor Carmen R. Bunch Park

Administrator Tucker confirmed that Lawns Done Right, Inc. was the lowest bidder and stated that this company has the contract for City-wide landscaping; the Administrator believes that they were able to be so competitively priced because they are on the island regularly. The Administrator reminded that, before issuing this RFB, the City had hired a consultant to identify the various species of plants that must be left undisturbed as defined in the Greenbelt language. The consultant was paid from the fifteen thousand dollars (\$15,000) budgeted for this project, but this contract will keep the total cost will be within budget.

MOTION: Councilmember Bettelli moved to award the contract to Lawns Done Right, Inc. for the clearing and cleanup of Mayor Carmen R. Bunch Park; Councilmember Carroll seconded.

Councilmember Buckhannon suggested that the City dialogue with the adjoining property owners about what is going to be done on the lot and that they will still have a vegetative buffer.

Councilmember Loftus suggested that the City should delay the implementation on this activity to allow for spring growth.

Administrator Tucker stated that the City could not ask Lawns Done Right to hold this price for an extended time, and the plan had been to move forward. She added that there will be ongoing maintenance associated with the park.

According to the Administrator, the access road work is going on now and the City has delayed getting the sign until the park looks inviting.

The Mayor added that the company had bid the project and the City should award the contract in a timely manner.

VOTE: The motion PASSED UNANIMOUSLY.

3. Consideration of request from marina tenants for reimbursement of up to \$10,000 for consultant and planning expenses, cleanup and grading at the marina

Administrator Tucker explained that, since the Real Property Committee meeting, the tenants have withdrawn the request for the cleanup and grading based on the concerns expressed at the Real Property meeting. The request before the Committee at this meeting is reimbursement of expenses related to the consultant and planning expenses from GEL Engineering and John Tarkany to keep the forward momentum going toward a master plan; the amount requested has been reduced to fifty-five hundred dollars (\$5,500). The tenants agree that the removal of the mound and grading need to take place.

MOTION: Councilmember Bergwerf moved to reimburse marina tenants up to \$5,500 for consultant and planning expenses; Councilmember Harrington seconded.

Councilmember Ward asked the location of this expenditure in the budget; the Administrator responded that this would be an unbudgeted expense in Professional Services in the Marina Fund.

Councilmember Loftus reported that he had not supported this action by the Real Property Committee because he believes this work should be under the City Administrator's control, following the City Procurement Code; in addition, the City has only three (3) months remaining in the fiscal year, and there is seventy-five thousand dollars in the FY15 budget for consulting and design of the marina.

When the design and engineering are bid, there is a good possibility that neither of these vendors will submit a bid and be awarded the contract; he asked what would come of these preliminary plans at that time.

The recommendation from the Committee, for both the cleanup and engineering, indicate this team was judged to do a creditable job.

Councilmember Ferencz asked why this project was not under the auspices of the Planning Commission. Mayor Cronin explained that the intent is to spend a major amount of money next

year, and then ask the Planning Commission to be the interface with whatever contractor is involved. This was an initial step by two (2) knowledgeable parties who are deep into the marina's activities to get a framework.

Councilmember Bergwerf indicated that this planning is primarily to look at parking, which is limited and chaotic at best. This effort is an initial step in getting plans and ideas; these are two (2) companies the City has worked with and in whom they have trust. The Councilmember stated that, if the City went through its procurement procedures, she believes that the cost would be greater.

Mayor Cronin said he liked the idea of bringing the Planning Commission into the action when the City begins the major work from a master plan.

Councilmember Ferencz then asked if the City would be involving Stantec, the City's parking consultant. Mayor Cronin replied that the parking lots are not within Stantec's scope of work.

Councilmember Harrington asked for the tenants' rationale for withdrawing the request for marina cleanup. The Administrator explained that, at the Real Property Committee meeting, they decided that they need a plan before tackling the cleanup; they want to see the work done in the future and are hopeful the City will participate. The tenants were present at the meeting and heard the concerns of the Committee which were compounded when the Administrator brought up land disturbance permit issues and National Pollutant Discharge Elimination Systems (NPDES) issues.

Administrator Tucker stated that what appealed to her about this initiative was seeing the four (4) separate entities, each with a different lease and all of whom have similar but competing interests in the marina as far as operating their businesses, cooperate. In her opinion, having these four (4) people work together is key to the future success of long-range plans at the marina. That initiative has occurred and generated some positive energy headed in the direction the City wants to see in the future; the City will need "buy-ins" by all of the marina tenants. This action would keep them working together toward the grander plan the City is going to be working on. The Administrator recalled that one (1) tenant had brought a master plan to City Council, but it was the action of a single tenant.

Councilmember Carroll asked whether parking issues were the tenants' responsibility; Administrator Tucker responded that the tenants are responsible for managing the parking, for coordination with one another about parking, and some have specific designations for parking, but general maintenance of their parking areas is the tenants' responsibility. These leases are a hybrid of a triple net lease that does not make them responsible for everything and leaves room for interpretation.

Councilmember Buckhannon voiced the opinion that anytime there is private and public cooperation in order to get things done in a public sector it works well. He agreed to involving the Planning Commission down the road, but, in his opinion, the best people to be making decisions regarding the marina are the tenants who know the flow, the traffic patterns, where things need to be, etc. He noted that this would have never been an issue had the City not decided to rehabilitate the Tidal Wave dock rather than replace it; there was a substantial sum

of money left over. He acknowledged that the money cannot be used for this purpose, but it is money staying in the marina fund to try to move forward.

Councilmember Loftus reiterated that this will be an unbudgeted expense, that seventy-five thousand dollars will be available July 1 for engineering and design, likely to be done by an entirely different vendor, and, as City property, the City should manage this project. He suggested using the balance from the dock rehabilitation toward a fund for the marina renovation.

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

4. Recommendation for a change order in the amount of \$5,000 to Salmons Dredging contract for Tidal Wave Watersports dock rehabilitation to substitute an aluminum gate with electrical keypad for a timber gate

MOTION: Councilmember Loftus moved to approve the change order for \$5,000 to Salmons Dredging for an aluminum gate; Councilmember Bergwerf seconded.

The project was bid and awarded with a timber gate primarily for the sake of expediency with the understanding that, after the project was awarded, the City would get pricing for an aluminum gate similar to another gate at the marina on Morgan Creek. The five thousand dollars (\$5,000) will cover the costs of the materials and the installation with electrical keypad.

Councilmember Buckhannon noted that the Real Property Committee had unanimously approved the aluminum gate, which is also the preference of the tenant.

Responding to Councilmember Ward's question, the Administrator said that this is in the budget for the watersports dock replacement; she added that the total cost of this project is well under the original estimates for replacing the dock.

Councilmember Carroll questioned installing an electrical keypad in the marina's environment; Brian Berrigan, marina manager, responded that keypad is entirely enclosed and it works well.

VOTE: The motion PASSED UNANIMOUSLY.

B. Consideration of an award of a contract for electrical services at the Tidal Wave dock

Since the bid was opened on Friday, March 14th, the results did not go through the Committee but came straight to Ways and Means. Administrator Tucker stated that the City had received two (2) bids which were alarmingly different, i.e. one for nineteen thousand nine hundred dollars (\$19,900) from L&L Contractors, Inc. and a second for fifty thousand dollars (\$50,000) from Transworld Inc.

In vetting of the low bidder and checking references of other work they have done, both SCE&G and the State Port Authority were contacted and asked specifically about electrical work, some of which on the water; the references were confident that L&L could execute the plan. The City is fortunate to have gotten such a competitive bid and recommends awarding the contract to L&L contractors.

MOTION: Mayor Cronin moved to approve a contract award to L&L Contractors, Inc. in the amount of \$19,900 for electrical service to the Tidal Wave dock; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

C. Report on expenses related to winter storms

For the two (2) storms, the City incurred twenty-two thousand dollars (\$22,000) in supplies, lodging and overtime expense; the City was lucky to have escaped the worst of these storms. Administrator Tucker commented that the City was on the fringe of the storms, but this amount serves as a reminder of the expense the City will incur many times over in the event of a serious event; it also speaks to the need to continue to grow the Disaster Recovery Fund.

D. Review of FY15 Capital and Operating Budgets

Mayor Cronin stated that the discussions will cover the capital and operating budgets for the City's departments, as well as the revenue budget. He commented that he finds it helpful to work with fund balance schedules, and staff completed a new fund balance schedule for the FY15 budget that was on the dais for each member of the Committee. The fund balance schedules start with the audited FY13 numbers, lays in the FY14 budget to know where the City is expected to be at June 30, 2014, and then adds the proposed FY15 budget to show the City's expected position at June 30, 2015.

Administrator Tucker reiterated that staff's approach to the budget was different this year, beginning with revenues in February, and this March Ways and Means meeting is the earliest that a budget document with both revenues and expenditures this early in the budget process – it is very much a work in progress. The Administrator took an opportunity to thank the Committees for their patience as staff provided new tools to facilitate budget decisions; the department managers and Assistant Dziuban for their work; and special thanks went to the City Treasurer Debbie Suggs because this has been most challenging to get all of the pieces and new pieces within the timeframe staff established.

The Administrator directed the Committee members to page 14 of the draft General Fund budget to see that the budget has a deficit balance as presented at this meeting. In order to balance the General Fund budget, the City must increase revenues, identify new revenues, decrease expenses and/or assign support from tourism and victims funds.

In the past, staff has made decisions about transfers of money and/or moving things around to present Council with a balanced General Fund budget. This year, staff is providing Council with

tools about how much of any one (1) department is assigned to tourism funds and tools related to what portion of the function of the Recreation, Police and Fire Departments are attributable to tourism for decisions about what portion of funds the City might transfer from one fund to another, if any.

Administrator Tucker stated that she plans to review highlights, but she will answer any questions on any line item of the budget. Since the Committee meetings, an additional month's expense information has been added so now eight (8) months of expenses are available.

Globally in all departments, increases exist related to the performance-based merit pool and increases to retirement, health insurance, workers compensation and property and liability insurance. Also reflected in this budget draft are the effects of additional personnel in the Fire Department.

On the revenue budget, the Administrator noted that Sullivan's Island's continued participation in the non-emergency dispatch support is listed as a revenue item although she has not been formally notified.

Councilmember Ferencz asked whether the Parking Lot revenue line item reflected the increase approved earlier for a five dollar (\$5) increase to the annual parking lot pass fee; Administrator Tucker responded that it is not included. Councilmember Ferencz inferred that the line item would increase. Mayor Cronin noted that Mr. Schupp must hit the lease toggle before the City receives any revenue.

As the Administrator moved to the General Fund expenditures, she explained changes from the budgets that Committees saw are shaded, and she plans to highlight items that are aberrant in some way from this year.

On the Mayor and Council budget, the Administrator explained that Group Health Insurance is a function of which Councilmembers are covered; as that number changes year after year, the dollar amount also changes. In addition, this line is subject to an increase in premiums as in all departments.

Councilmember Bettelli commented that over half of the Mayor and Council budget can be attributed to group health insurance costs.

Councilmember Loftus asked whether there was another factor affecting this line item, because, in his calculations, the projections are high. Treasurer Suggs said that the spreadsheet that creates the budget for health insurance is based on head count, the current premium for an employee only, plus an eight percent (8%) and dependent coverage; she noted that dependent coverage fluctuates. The Treasurer indicated that she bases the amount for dependent coverage upon the level of coverage when the budget is produced; she stated that she tries to be as accurate as possible. As to the decrease in the Police Department, the Treasurer explained that the Department lost four (4) dispatchers when they moved to Consolidated Dispatch.

Administrator Tucker then directed attention to page 5 and the note on line 57; staff is proposing an appreciation event, possibly in the fall, to replace the Holiday Party. With the addition of the Holiday Street Festival, there is a great deal of pressure on those responsible for these events since they are so close together

Factors that affect the Police Department budget are the decrease in the number of people, the fact that this is not a CALEA year and a decrease in the fees to Charleston County for Consolidated Dispatch; this operating budget increases by only one percent (1%).

The Fire Department has a seventeen percent (17%) increase; of that increase, thirteen percent (13%) can be attributed to the three (3) new firefighters recently approved for Fire Station 2.

Councilmember Carroll asked whether the Keiser sled and Target Solutions web-based training reflected a critical need.

Councilmember Loftus asked if the web-based training replaces the personal trainer at the fire station.

Chief Graham explained that a Keiser sled is a large piece of equipment that is used in physical training, building upper body strength and simulating ventilating the roof of a building; it costs approximately thirty-five hundred dollars (\$3,500).

The Chief stated that she is planning a demonstration of the Target Solutions program at the next Public Safety Committee meeting; it is a training tool for many facets of the safety training all personnel need to have each year as well as courses for fire personnel.

Councilmember Buckhannon asked about the participation level with the personal trainer; the Chief replied that the participation continues to be excellent; they are in the process of changing the time to accommodate more personnel.

With an increase in fees, the budget for electricity and gas for the Public Works Department has been increased; the line for telephone and cable has also been increased since the Department has been included in the T1 fiber optic line with City Hall.

In the Building Department's operating budget, the line for maintenance and service contracts was increased to cover maintenance on the new generator, and the line for rents and leases was increased as a result of an increase in the rates for the off-site storage facility.

The increase to the line for non-capital tools and equipment in the Recreation Department's budget represents the purchase of lobby furniture and staff chairs, plus stacking chairs and storage racks for the chairs.

Councilmember Ward asked how many stacking chairs were to be purchased, and Director Page responded that forty (40) chairs and the accompanying storage racks were planned.

Based on actual spending through eight (8) months, the professional services line in the Judicial Department has been increased substantially; Administrator Tucker cited the increased use of

the City Prosecutor and the City's employment attorneys in Columbia as the driving agents in this increase. The Administrator added that she and the Treasurer would be researching this line looking for unusual expenditures in FY14 in an effort to refine the projection downward.

Administrator Tucker confirmed to Councilmember Loftus that the City hopes to re-finance the bond on the Recreation Center and realize a savings similar to the re-finance on the marina bond.

Proceeding to page 14 of the budget, the Administrator reiterated that the budget as presented at this meeting was not balanced, but, in keeping with the new process, the decisions on transfers would be made by Council based on the new tools staff has provided for them.

Councilmember Buckhannon remarked that he had requested information on the number of employees in each department that are tourism-driven, and he indicated that decisions on transfers would be easier for him with that information.

Items highlighted in the Capital Budgets were as follows:

<u>General Government</u>	
Capital Outlay	\$233,000
Audio-visual systems for Council Chambers, replace City Hall parking lot fence, integrated financial software package covering all City Functions and compatible with Rec Trac and JEMS court system	
<u>Police Department</u>	
Non-Capital Tools & Equipment	3,350
2 desktop computers, 1 light bar for patrol vehicle	
Capital Outlay	60,500
1 4WD police vehicle, replace computer server, replace recording equipment for non-emergency dispatch	
<u>Fire Department</u>	
Capital Outlay	129,500
Retainage on PSB, ½ cost to replace rescue truck	
<u>Public Works</u>	
Construction in Progress	364,250
Remaining balance engineering and design of Phase II Drainage, ¼ of estimated construction cost of Phase II Drainage - Eadies	
Year 5 of y-year drainage maintenance plan	88,400

Councilmember Buckhannon asked what improvements were left to be done at 1207 Palm that there again is eighty-six thousand dollars (\$86,000) budgeted for improvements between 1301, 1303 and 1207 Palm Boulevard. Administrator Tucker stated that work at 1207 Palm had been completed, but a great deal of work must be done to 1303 Palm to come into compliance with NPDES regulations, primarily a wash-down area. The site must be reconfigured to allow for truck maneuvering to the wash-down area; Kelly Messier will present two (2) designs to

Directors Kerr and Pitts for the reconfiguration that must mesh with the engineering done by Charleston County. In addition, the Administrator explained that the City expects to get one hundred forty thousand dollars (\$140,000) in stormwater funds from Charleston County to offset the cost of the wash-down.

Councilmember Ward asked if this money was a re-budget from FY13, and the Administrator confirmed that it was and, as such, was a part of the FY13 positive net result.

<u>Building Department</u>	
Non-capital Tools	3,700
2 laptop computers, document folding/sealing printer	
Maintenance	120,000
Paint porch ceilings, posts and support on Expansion, rehab softball, baseball and multi-purpose fields	
Capital Outlay	71,000
Replace gym basketball scoreboard (with failure), install built-in bleachers in gym, replace HVAC (with failure), replace computer server for cameras and add 3 cameras and upgrade existing cameras to digital	

Councilmember Ward asked how staff arrived at the numbers for replacing equipment; the Administrator explained that staff starts with the initial cost of the item being replaced and works with the vendor to come to a replacement cost. For the surveillance cameras, staff has worked with the vendor who originally supplied them to ensure compatibility for an upgrade and new equipment. Councilmember Ward continued that he had just purchased a system for his theater that includes 8 cameras and 50 gigabytes of memory for three hundred fifty dollars (\$350).

Administrator Tucker explained that the surveillance cameras at the Recreation Department capture and store information for long periods of time and has a high degree of sophistication. Footage from Recreation Department cameras have been used as evidence in past instances. The Administrator agreed that a system like he described for the theater has been purchased and put into use at City Hall, but the demands on it are not as great as at the Recreation Department.

Councilmember Buckhannon asked whether remaining funds from the ball field lighting would be used for rehabilitating the ball fields, and the Administrator said that they would, assuming there are sufficient funds available.

Councilmember Carroll noted that the cameras at the Recreation Center were purchased in 2005 and are analog; going to digital would make the system more sophisticated.

Administrator Tucker added that the original vendor was Technology Solutions and, since they are now on state contract, it is the company the City has contacted regarding the new cameras and the upgrade to digital. This company has placed a lot of cameras in schools.

Highlighted expenditures assigned to the Municipal Accommodation Fee include:

<u>General Government</u>	
Principal	\$ 58,000
40% of \$145 principal on Rec Building GO debt	
Professional services	38,560
DHEC water sampling costs, ½ wayfinding sign design and parking management plan design	
<u>Police Department</u>	
Capital Outlay	30,000
Replace 1 4WD patrol vehicle	
Contracted services	20,000
Additional coverage from Charleston County deputies for the summer	
<u>Fire Department</u>	
Capital Outlay	75,250
Replace 1 all-terrain vehicle (ATV), RAD-57 monitor, ¼ cost of rescue truck replacement	
<u>Public Works</u>	
Capital Outlay	64,333
⅓ cost to replace garbage packer truck	
<u>Recreation Department</u>	
Maintenance	27,500
Resurface tennis and basketball courts	
<u>Front Beach Area</u>	
Bank service charges	12,000
Estimate of all fees associated with accepting credit cards at parking kiosks	
Telephone and cable	8,260
Call box service and new annual internet communication modem charge on new kiosks	
Maintenance and service contracts	87,700
Parking kiosks maintenance agreement, sidewalks, parking lot, irrigation, lighting, benches, trashcans, info kiosks, sod & green spaced, road resurface/patch, ½ cost to resurface City-owned portion of Ocean Boulevard	
Professional services	14,000
Annual subscription to T2 PowerPark Flex internet-based parking ticket mgmt. system, T2 RoVR service to locate address info for license tag of unpaid violators, armored car/counting service, added software and scanner support for handheld ticket writers	
Miscellaneous and Contingency	52,000
Parking meter and parking lot activities, business district lighting enhancements, provision for unanticipated costs	

Construction in Progress	24,610
½ cost to evaluate alternative, design for approved site And bid documents for public restrooms	
Capital Outlay	40,000
Replace white fencing around municipal parking lot	

From Hospitality Tax Fund, the following expenses will be paid:

<u>General Government</u>	
Debt Service – Principal	99,000
60% of \$165,000 for FS2 GO bond principal	
<u>Police Department</u>	
Non-capital Tools & Equipment	1,600
Radar unit replacement	
Professional Services	50,000
⅓ provision for implementation of beach access parking solutions	
Capital Outlay	29,000
Replace 1 patrol sedan	
<u>Fire Department</u>	
Non-capital Tools & Equipment	81,000
2 years' worth of SCBA airpack & cylinder replacements, bunker gear, fire hose and appliances	
<u>Public Works Department</u>	
Capital Outlay	30,000
Replace 34 yd garbage compactor servicing Front Beach district	
<u>Front Beach/Public Restrooms/Dune Walkovers</u>	
Replace dune walkover at Front Beach Restrooms	95,000

Administrator Tucker announced to the Committee that the City has recently received the permit for this walkover replacement and construction will occur in the fall of 2014.

Highlights of spending from the State Accommodations Taxes include the following:

<u>General Government</u>	
Professional Services	38,000
½ of wayfinding sign plan design and parking mgmt. Plan design	
Tourism Promotion - General	25,000
Website T-shirt giveaway, ongoing website maintenance Including off-site backup for disaster recovery	
<u>Fire Department</u>	
Capital Outlay	70,250
Replace all-terrain vehicle (ATV), ¼ of replacement Cost of rescue truck	

<u>Public Works Department</u>	
Capital Outlay	64,333
$\frac{1}{3}$ cost of garbage packer	
 <u>Recreation Department</u>	
Special Activities	48,000
Various City-sponsored events	
 <u>Front Beach/Public Restrooms/Breach Inlet</u>	
Service Contracts	66,250
Added $\frac{1}{2}$ cost to resurface City-owned portion of Ocean Boulevard (\$56,250)	

Administrator Tucker noted that the City-owned portion of Ocean Boulevard extends from 10th to 14th Avenues.

Construction in Progress	24,610
$\frac{1}{2}$ cost to evaluate alternatives, design for approved site and bid documents	

A new focused erosion project for FY15 is included in the budget at one million two hundred sixty-five thousand dollars (\$1,265,000). Administrator Tucker acknowledged the fact that the City does not have that amount of money in reserves, and a stakeholders meeting is scheduled in early April.

In the Professional Services line of the Beach Maintenance Fund is the ongoing monitoring of the island's shoreline, additional monitoring of Breach Inlet and a review of the Comprehensive Beach Management Plan that is required every five (5) years, totaling eighty-four thousand six dollars (\$84,006).

The capital outlay and debt service payments from the Marina Fund include the following:

Principal payments on 2 GO bonds	430,000
Design new docks on Morgan Creek	100,000
Other Capital Purchases	716,000
Replace ice machine in store (if failure)	6,000
Replace HVAC in store (if failure)	25,000
Replace store point-of-sale cash receipts system	30,000
Replace store coolers	90,000
Replace fuel dispensers – docks (if failure)	35,000

Administrator Tucker stated that she expects there to be changes in priorities for capital purchases for the marina.

The Administrator then directed attention to the spreadsheets that were on the dais when members arrived for the meeting; she explained that these sheets begin with the audited FY13 numbers across the top, then the FY14 budget is laid in, showing a proposed fund balance at June 30, 2014, and finally the FY15 proposed budget is laid in, resulting in proposed fund

balances for year ending June 30, 2015. The lower two-thirds ($\frac{2}{3}$) of the schedule is dedicated to adjustments to the FY15 budget in an effort to balance the General Fund budget; items are listed in four (4) categories, i.e. repeat FY14 transfers in for personnel and operating expenses, additional transfers in from tourism funds, increase General Fund revenues, reduce or defer expenses. If the City were to repeat FY14 transfers in, the effect on the budget is an increase to revenues of six hundred twenty thousand one hundred forty dollars (\$620,140). The additional transfers in from tourism funds are to cover the costs of three (3) new firefighters at Station 2 plus one (1) additional firefighter and to cover the costs of one (1) additional patrol officer; these actions result in a reduction of General Fund expenditures of approximately two hundred seventy-five thousand dollars (\$275,000). Should the City decide to enact the suggested ways to increase revenue presented by staff, for example increasing the per hour rate at the kiosks, increasing the off-island business license rates, increasing franchise fees, etc., a total of approximately five hundred sixty-two thousand dollars (\$562,000) would flow into General Fund revenues. Staff has also offered suggestions on expenditures that could be reduced or deferred to FY16; they are as follows:

Reduce the per gallon fuel estimate from \$4.25 to \$4	10,564
Adjust merit pool by 1%	24,601
Reduce Fire Department part-time (includes fringe)	30,000
Reduce 4B tipping fees (yard waste going to Bees Ferry)	2,500
Capture benefit of 1-time accounting & correct timing of insurance pymts	<u>150,855</u>
Reduction to General Fund expenditures	218,520

Other options for reducing expenditures are:

Move new accounting software to FY16	175,000
Move Recreation ball field rehabilitation of FY16	100,000
Move Council Chamber AV upgrade to FY16	<u>40,000</u>
Reduction to Capital Projects	315,000

Finally, the suggestion to reduce expenditures in both Municipal ATAX and State ATAX by fifty six thousand two hundred fifty dollars (\$56,250) is by deferring the paving of Ocean Boulevard to FY16.

Mayor Cronin asked that Committees review all options for reducing expenses and/or of funding larger percentages from tourism funds.

The Mayor suggested moving the next Ways and Means Committee meeting to Tuesday, April 22 from April 15 and holding the budget workshop as part of that meeting.

Under the Beach Maintenance Fund, eighty-four thousand dollars (\$84,000) has been budgeted for Professional Services that includes Year 3 of three (3) year contract for ongoing monitoring of the island's shoreline with additional monitoring of Breach Inlet and a review of the Comprehensive Beach Management Plan, which is required every five (5) years.

Councilmember Ward complimented City staff for their hard work; he indicated that he has found the new tools to be useful and easy to read and understand.

When asked about the final page of the meeting packet entitled "Rental License Fee Comparison," Mayor Cronin stated that Councilmember Loftus had asked to know how the City's short-term rental license fees compared to other beach communities along the East Coast. The Mayor indicated that this information is for information only and that, if short-term rental license fees were to be addressed, it would be in the context of reviewing all business licenses.

7. Miscellaneous Business

Next Meeting Date: 5:45 pm., Tuesday, April 22, 2014 in Council Chambers

8. Executive Session – not needed

9. Adjournment

MOTION: Mayor Cronin moved to adjourn the meeting at 8:17 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk