

**WAYS and MEANS COMMITTEE**  
5:45 p.m., Tuesday, February 17, 2009

The regular meeting of the Ways and Means Committee was held at 5:45 p.m. on Tuesday, February 17, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Chairman Taylor, Committee members Bettelli, Buckhannon, Duffy, Loftus, Piening, Rice and Mayor Cronin, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban, Deputy City Attorney Halversen and City Clerk Copeland. There was a quorum present to conduct business.

1. Chairman Taylor called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

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

**MOTION: Mayor Cronin moved to approve the minutes of the regular meeting of January 20, 2009 as submitted; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments - None**

Chairman Taylor asked the Committee's permission to rearrange the agenda, taking the recommendations of the Real Property Committee immediately after the Treasurer's report.

**MOTION: Councilman Bettelli moved to approve the rearrangement of the Agenda; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

4. **Financial Statement – City Treasurer Suggs**

Treasurer Suggs reported that she had performed some comparisons between the January 2008 financial statement and the January 2009 statement; the following were some of the results:

	2008	2009
General Fund:		
Revenue as % of Budget, collected	47%	47%
Expenditures as % of Budget	52%	51%

Discussing Revenues, the Treasurer stated that Property Tax collections in January were \$2.2 million, and an additional \$650,000 has been collected since February 1. She noted that business licenses for non-contractors were due to be paid February 2; collections in January were \$298,000, and another \$128,000 has been collected since February 1. She noted that business licenses were still behind budget; at the same

time last year, the City had collected 56% of budget, but has only collected 49% of budget this year. Another area of concern is building permits; she reminded the Committee that revenues for building permits had been substantially reduced when preparing the budget for FY 2008-2009.

In the way of good news, Treasurer Suggs announced that the City was significantly under-budget for fuel expenses. She stated that, if she were to annualize where the City is at the end of January and compare the figure to the budget, there could be one hundred thousand dollars in savings at year-end.

On the expense side, the Treasurer stated that the seven (7) month target was 58% and the City was at 51%. The departments that were over-budget were Mayor and Council due to the un-budgeted costs for Mayor Sottile's recognition at the Christmas Party. The Fire Department remains over budget primarily due to overtime; the Public Safety Committee is discussing the issues facing the Fire Department.

Cash available at the end of January 2009 was 37% of annual General Fund expenses; in comparison, for January 2008, cash available was 31%.

#### Tourism-Related Revenues

Treasurer Suggs had the schedules for state and municipal accommodations taxes and hospitality taxes that indicated revenues were generally only slightly under last year.

#### **Project Status:**

Beach Restoration – There was a new column added to this schedule for sand fencing and vegetation.

Public Safety Building – No expenditures occurred in January

Bulkhead Replacement – Treasurer Suggs informed the Committee that the bond ordinance is being prepared; it will be a taxable bond in an amount not to exceed \$1.5 million, and first and second readings are expected in March. She added that the project budget was built with a borrowing amount of \$1.25 million at rate of four percent (4%) for a term of ten (10) years. Administrator Tucker added that the reasoning behind the ten (10) year term was that the borrowing was small and would not require such a long term.

#### **5. Old Business - None**

**6. New Business**

**B. Recommendations from the Real Property Committee**

Chairman Taylor stated that Agenda Items 1-3 related to the Marina Bulkhead Project and Item 4 related to the Beach Restoration Project. Councilman Taylor noted that this would be the end of the decision making for the Bulkhead Project as it is due to be completed by April 1, 2009 with the exception of the tasks assigned to the Marina Manager to be accomplished shortly after the bulkhead completion.

Guests present for this meeting who were invited to answer any questions the Committee members might have were as follows:

Jon Guerry Taylor – Chris Moore, Craig Pawlyk and Guerry Taylor  
Misener Marine – Tony Landry  
TransWorld Electric – Jay Adams  
Coastal Science and Engineering – Bill Forman and Steve Traywick

Councilman Taylor recounted that the Real Property Meeting had taken 2½ hours and that, in addition, the members had made trips to the marina for firsthand looks at the progress being made. Since the meeting, he had sent an email to all of Council relating the circumstances of the meeting and Assistant Dziuban had written a one (1) page summary of the meeting to accompany the change order presented by Jon Guerry Taylor in the meeting packets. In addition, Marina Manager Berrigan offered to give each Council member a tour of the site or to discuss the construction by phone.

Administrator Tucker initiated her comments by thanking the members of the Real Property Committee for their work on the project, the members of Council for taking the time to visit the site and to Marina Manager Berrigan for the time spent in conducting individual tours.

1. Approval of Change Order #2 to remove and replace damaged electrical cables and water lines, to reconfigure a portion of the existing restaurant dock so as not to interfere with the new bulkhead and to install an additional 619 cubic yards of sand fill in the voids between the two (2) timber bulkheads in the amount of \$53,879.26 adding twelve (12) days on to the contract.

The Administrator explained that some of the problems that have occurred at the marina have to do with pulling deck boards and things away thereby discovering the conditions of the electrical work at the bulkhead; certain of these issues require immediate attention as they pose safety hazards. She displayed a sample of the G cable that would be used to replace the electrical lines at the marina; the G cable is stronger and would have a much longer life span than what is there now.

In addition a section of the restaurant dock needed to be realigned so as not to interfere with the new bulkhead.

Also included in Change Order #2 was the fill material that would go between the two (2) timber bulkheads. As the cap was removed from the old bulkheads, the voids were greater than anticipated; therefore, there is the need for additional fill material. Since fill material was included in the original bid, the price per cubic foot is fixed, but the quantity has increased.

Councilman Taylor recalled from the meeting that the Committee members had no issues with the sections of the change order related to the electrical cables, but they were disappointed to learn of the dramatic difference in the amount of fill material that was needed (from 216 cubic yards to 619 cubic yards). They were of the opinion that accurate measurements should have been done much earlier in the project.

The Committee was also concerned with additional days being added to the contract, but Tony Landry, Misener's Project Manager, assured the Committee that they planned to complete the project by April 1. Administrator Tucker stated that Misener would owe the City liquidated damages, according to the contract, should the project not be completed on time; the request for additional days was their insurance against that happening.

Mr. Landry assured the Committee that the fill was readily available, but the fact that it was three (3) times the quantity meant that it would take three (3) times as long to install.

**MOTION: Mayor Cronin moved to approve Change Order #2 as stated; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

2. Approval of Change Order #3 to furnish and install an aluminum access hatch providing access to buried utilities located behind the new bulkhead for \$6,543; Jon Guerry Taylor has agreed to share in the cost at fifty percent (50%) or \$3,271.50 leaving the cost of Change Order #3 at \$3,271.50 for the City. There is an addition of one (1) day to the contract.

Administrator Tucker stated the fact that utilities run from the land side of the marina to the fuel dock, and there is no access hatch to those utilities in the existing bulkhead. As work has progressed, it was pointed out that, with the new bulkhead, there would be no way to access any of the new utilities that were being installed. If there were to be an emergency requiring access to the utilities, they would be under concrete. She recounted for Ways and Means that there had been a discussion with the representatives of Jon Guerry Taylor about why they had not addressed the issue in the design phase of the project; as a compromise, they agreed to cost share in this change order and to pay half of it in the amount of \$3,271.50,

**MOTION: Councilman Bettelli moved to approve Change Order #3 as stated; Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.**

3. Approval to reserve \$60,000 of the bulkhead replacement budget and financing to affect the improvements included in Change Order #4, but to delay action until the work has been completed by Misener Marine.

The Administrator stated that Change Order #4 as presented by Jon Guerry Taylor was denied by the Real Property Committee, because it was determined that these items were still functioning and did not present safety hazards, therefore, they could wait. In an effort to ensure that the City does complete the work, the Real Property Committee chose to reserve sixty thousand dollars (\$60,000) to replace fuel lines, relocate electrical supply areas, replace the sewer pumpout and replace the water lines. The Committee also agreed for the Marina Manager to be the project manager to use up to sixty thousand dollars (\$60,000) to perform the work prior to July 1, 2009; he will be reimbursed by the City upon the presentation of invoices. He is also to use only licensed contractors who hold Isle of Palms business licenses. In addition the City Administrator will be the final decision maker on the expenditure of funds.

**MOTION: Councilwoman Rice moved to reserve up to \$60,000 from the bulkhead replacement budget to replace fuel and water lines, the sewer pumpout and to relocate electrical supply areas using licensed contractors holding Isle of Palms business licenses; the Marina Manager is to serve as Project Manager with the City Administrator being the final decision maker; expenses will be reimbursed upon the presentation of invoices and the project is to be complete by July 1, 2009; Mayor Cronin seconded and the motion PASSED UNANIMOUSLY.**

In response to concerns voiced by Councilman Loftus, Chris Moore stated that the City would be given a complete set of plans for the new bulkhead and "as-built" drawings. Mayor Cronin asked if there would also be a bill of materials provided; Mr. Moore said that information would be on the plans and in the Project Manual.

Councilwoman Rice asked about the walkway that would go behind the restaurant; Administrator Tucker distributed copies of a letter from Jon Guerry Taylor stating that there were two (2) areas of the bulkhead that would not have a walkway. These areas are (1) behind the restaurant and (2) behind the store where the deck is located. Also in the letter was the explanation that the walkways in these areas were taken out of the contract with an addendum prior to the bid opening.

When asked by Mayor Cronin when the project would be completed, Mr. Landry of Misener Marine answered that they were aiming to complete the bulkhead by March 18, as stated in the original contract, but the absolute deadline was April 14. Mr. Landry added that the crew has been working weekends to make up time.

4. Award of engineering, sand fencing and planting and the engineering for the post project beach monitoring to Coastal Science and Engineering in the amount not to exceed \$310,000, contingent upon the resolution of the dispute between Fish and Wildlife and a sub-contractor or, if the issue cannot be resolved with the existing sub-contractor, a different sub-contractor will be hired for this contract.

Administrator Tucker stated that the information included in the meeting packets represent the next steps in the beach restoration project. Engineering, construction, sand fencing and vegetation will cost eighty-three thousand dollars (\$83,000); Coastal Science and Engineering (CSE) will design, supervise the installation and secure the permit. Other things that need to be done are the monitoring the restored beach, the remainder of beach on the island and the harvest site offshore; Coastal Science and Engineering proposes \$298,000 to do the necessary monitoring for three (3) years. Some of the monitoring is required by the permit; the monitoring of the balance of the island's beaches is compliant with the City's Long-Term Beach Plan. Adequate funds exist in the beach restoration project to cover the expense; expenses related to the remainder of the island's beaches would be invoiced separately and paid by the City.

The Administrator explained that Coastal Science and Engineering was deemed to be a sole source due to the time they have spent on the project even before the project was initiated; to bring in a new contractor at this time would mean repeating some work that CSE has already done.

The contingency on the contract relates to the conflict between a subcontractor for CSE and US Fish and Wildlife; Administrator Tucker stated that the most recent information

she has received is that the revisions to the scientific report have been accepted by US Fish and Wildlife.

The Committee's recommendation is to award contracts to CSE in an amount not to exceed three hundred ten thousand dollars (\$310,000) that includes the post-project monitoring, survey work, engineering for sand fencing and vegetation, bidding the fencing and permitting.

**MOTION: Mayor Cronin moved to approve the contract award as described by Administrator Tucker; Councilman Loftus seconded.**

Administrator Tucker corrected the contract award stating that it would cover only the engineering portion, construction was not included. The contract for the actual fencing and vegetation will be awarded separately.

Mr. Forman of CSE informed the Committee members that a key justification for the monitoring is to establish the condition of the engineered beach in order to received FEMA funds in the case of an emergency; the pre-storm survey would provide proof of the amount of sand lost.

**Call for the Question: The motion PASSED UNANIMOUSLY.**

**A. Recommendations from the Public Safety Committee**

1. Approval of Change Order #7 in the amount of \$2,973.44 for the Public Safety Building to resolve a conflict between water and drainage on Pavilion

Administrator Tucker reported that the majority of the change orders for the Public Safety Committee have come as a result of problems found underground. According to the engineers, the survey had located the line, but was unable to pinpoint the depth. In order for the lines to be properly located, one (1) line must be re-located.

**MOTION: Councilman Buckhannon moved to approve Change Order #7 in the amount of \$2,973.44 for the Public Safety Building; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**

2. Approval to purchase a smaller satellite dish in the amount of \$1,500

The Administrator explained that the large satellite dish located beside the dog kennels was originally to be place on the roof of the Public Safety Building; the police use the satellite for televised training from SCETV. Technology has improved and a smaller satellite can perform the same functions as the large and more; the smaller dish also

will be mounted on the roof, but its size allows for a reduced possibility for damage from a major storm.

**MOTION: Councilman Bettelli moved to approve the purchase of a smaller satellite dish in the amount of \$1,500; Councilman Buckhannon seconded and the motion PASSED UNANIMOUSLY.**

3. Approval to purchase a second repeater from the FY02008-2009 budget that has a remaining balance of \$10,296.79

Administrator Tucker explained that twenty-two thousand dollars (\$22,000) had been budgeted in the current year to purchase one (1) repeater; when Chief Graham began the purchase process, she learned that the Fire Department had several of the required components of the repeater and, by using them, she was able to reduce the cost by almost half. Due to the problems with communication the Department is experiencing, Chief Graham would like to purchase a second repeater from the balance of funds budgeted for this fiscal year. The budget line item is approximately fourteen hundred dollars (\$1,400) short, but the Chief is confident that she can get a grant for two thousand dollars (\$2,000) that would cover the shortfall.

**MOTION: Councilman Bettelli moved to approve the purchase of a second repeater with the balance of \$10,296.79 in the FY 2008-2009 budget; Councilman Loftus seconded and the motion PASSED UNANIMOUSLY.**

Chief Graham was allowed time to explain some of the problems the Fire Department is experiencing with the new digital radios, as well as her frustrations with the lack of assistance she has received from Charleston County and Motorola's inability to solve the problems. Councilman Taylor agreed that the safety of the residents and visitors to the island was being jeopardized by problems with the radios. Administrator Tucker informed the Committee that she had written to the new Charleston County Administrator; in her communication she copied some of Chief Graham's documentation of the problems. The Charleston County Administrator did respond that he would look into the issue.

#### **B. Recommendation from the Public Works Commission**

**Approval for the Isle of Palms Water and Sewer Commission to use \$14,249.50 of the City of Isle of Palms' SCE&G Non-standard Service Funds to offset the cost of upgrading power to the new pump station on Ocean Boulevard at 9<sup>th</sup> Avenue.**

Administrator Tucker commented that this was a request to use a portion of the City's non-standard service clause with SCE&G to do undergrounding of electrical wiring at Ocean Boulevard and 9<sup>th</sup> Avenue; the Public Works Committee agreed with the request.



**MOTION: Mayor Cronin moved to approve the use of \$14,249.50 of the City's Non-standard Service Funds by the Isle of Palms Water and Sewer Commission as stated by Administrator Tucker; Councilman Bettelli seconded.**

Mayor Cronin stated that approximately forty thousand dollars (\$40,000) is reserved by SCE&G each year for the Isle of Palms; he explained that, as one year is added, the oldest year dropped off.

**Call for the Question: The motion PASSED UNANIMOUSLY.**

### **C. Review of Capital Budgets**

Chairman Taylor stated that he had not originally placed this item on the *Agenda*; since this meeting was expected to run long, he and the Administrator agreed that the work on Capital Budgets should take place primarily on the committee level.

Administrator Tucker reported an error on page 3 of 13, line 92 – Elevator Maintenance; this item is a duplication of the entry on the Fire Department budget.

### **7. Miscellaneous**

Next Meeting Date: 5:45 p.m., Thursday, March 12, 2009

Administrator Tucker stated that Dave Johnson, with Cole+Russell, was in town and attending this meeting because there had been the first walk-through of the Public Safety Building earlier in the day. She noted that progress meetings take place every two (2) weeks and the next one will be at 1 p.m. on Tuesday, March 3; she encouraged Council members to contact her if they were interested in a walk-through that could be planned before the meeting or another time if midday is not convenient.

Councilman Duffy asked Mr. Johnson what the percentage of completion was for the Public Safety Building; he responded that it was approximately 60%, which was where it should be. Contractually the completion date is May 22, 2009, and he anticipated it to be completed close to that date.

### **8. Executive Session – not necessary**

### **9. Adjourn**

**Motion: Mayor Cronin moved to adjourn at 7:25 p.m.; Councilman Bettelli seconded and the motion PASSED UNANIMOUSLY.**