



SPECIAL CITY COUNCIL MEETING -- WORKSHOP

5:00pm, Tuesday, October 8, 2024

1207 Palm Boulevard and

broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Council members Bogosian, Anderson, Ward, Miars, Pierce, Carroll (via Zoom), and Mayor Pounds

Staff Present: Administrator Fragoso, Director Kerr, various department heads

2. Citizens' Comments

Rusty Streetman's comments are attached to these minutes.

3. Special Presentations -- none

4. Dashboard of City Operations and Short-Term Rental Report

Administrator Fragoso said there are only two vacancies in the Police Department with seven candidates in the hiring process.

The increased number of court cases in September is attributed to the cancellation of an August court date due to Hurricane Debby.

Calls for service are up in the Fire Department, especially calls related to EMS and rescue, supporting Council's decision to implement an EMS program.

The number of houses permitted in 2024 has exceeded those permitted in 2023 only 9 months into the year.

Administrator Fragoso shared pictures of the stormwater improvements being made by the City's stormwater crew.

5. Departmental Reports – in the meeting packet

6. Financial Review

Financial Statements and project worksheets

Director Hamilton said 25% of the way into the fiscal year revenues are at 14% of budget and expenditures are 19% of budget.

She said business licenses and permits are 41% and 18% higher respectively than FY24. General Fund expenses are at 22% compared to the 25% target.

The City is awaiting reimbursement funds for the emergency dune repair. The majority of the income in the Marina Fund comes from the allocation of grant revenue for the public dock which came from ARPA funds.

The City has \$45.9 million in cash and investment funds, \$21.6 million of which is restricted. The City earned interest at a rate of 5.37% last month.

Veris will present the audit results in November.

Director Hamilton noted that the future cash report reflects capital purchase of the IT upgrades to the training room in the Public Safety Building and the new truck for the Recreation Department.

Municipal ATAX collected \$402,000 for July, which is 5% higher than prior year. No funds have been collected for State ATAX or the County pass-through yet. The \$117,000 in Hospitality taxes received is 24% less than August of 2023 but is 7% higher year-to-date. LOST came in 8% less than last year (\$133,000 vs. \$145,000). Staff will continue to analyze accommodations and hospitality taxes. Director Hamilton said, “We did an estimate for 2025, and when we did the estimate, it looks like we are right in line with what we projected for budget, but we will continue to monitor this to make sure that these revenue streams are coming in as we anticipate.”

The State grants awarded to the City for beach renourishment and stormwater infrastructure improvements have not been dispersed to the City yet. The City has been awarded over \$13 million in grants since FY21.

7. Procurement

A. Recommendation from the ATAX Committee to award grant of \$35,000 of State ATAX funds to the Wild Dunes Author Event with Mary Alice Monroe (part of Wild Dunes Literary Series)

Administrator Fragoso said this award to Ms. Monroe’s literary event is the only one awarded in this round of ATAX sponsorships. Ms. Monroe will attend the City Council meeting to answer any questions about her event. An estimated 33% of 2024’s attendees stayed in Wild Dunes. Council Member Miars spoke highly of Ms. Monroe’s civic efforts.

B. Discussion of change order to Thomas & Hutton design and engineering contract in the amount of \$67,000 for additional design services to increase level of protection of Waterway Boulevard Multi Use Path Elevation Project from 6’ to 7’

Administrator Fragoso said this change order covers the additional design services needed to increase the level of protection from 6’ to 7’ along the Waterway Boulevard Multi Use Path. She said Thomas & Hutton was told “to try to maximize the level of protection up to seven, not including those seawalls that would have been required and made the project much more expensive.”

Council Member Miars asked if Council had voted on the increasing the level of protection from 6' to 7', and Administrator Fragoso said voting on this change order at the end of the month will finalize Council's decision to increase the protection.

When asked about the pros and cons of increasing the protection, Director Kerr reminded Council of the map showing the increased number of properties protected when the elevation is increased. The only way to increase the protection at this time is to work in conjunction with the work being done at the Wild Dunes Golf Course.

Administrator Fragoso explained, "The cost for the original scope was a million one, and that was the scope that was up to an elevation of 6', and that was the scope that was included in the City's grant application to FEMA for the Hazard Mitigation Grant Program. That is a 90%, 90/10 share. That is why we are getting a grant of about \$900,000 from FEMA. The additional cost to go up to 7' is roughly about 700, \$800,000 more. After December, the nor'easter happened, we asked them to study whether it was feasible to increase the level of protection knowing that maybe nor'easter-type events were going to be more common. And if they are, the elevation as we had originally contemplated would not provide much protection. So they came here a few months ago to present the results of that feasibility study indicating it is feasible, only feasible if you partner with the golf course and elevate portions of their golf course and connected to the plan that we already had. And that is where we are, and I think the challenge is that presentation happened at a workshop where Council doesn't vote, and now there's a change order for the design and the engineering to effectuate that which is what we have on the agenda today."

Council Member Anderson said 7' is the preferred elevation to protect from future storm surges. She also noted the cost would be higher to increase protection later. Director Kerr said increasing protections could not be done at a later date "because you physically need the space to be able to spread the berms out."

Staff will provide information to Council at the next meeting showing the number of properties impacted, statistics showing how much more frequently the area will flood over the next 100 years, and the percent change of the higher impact flooding events.

Mayor Pounds said he believes this is a good opportunity to provide increased protection.

C. Discussion of award of a contract in the amount of \$261,337.50 to Beach Construction Co. for construction of two boardwalks at 26A and 36A beach access paths [FY25 Charleston County Greenbelt Program Grant Request]

Administrator Fragoso said construction on the ADA boardwalks at 46th and 52nd avenues beach accesses begins this week. Those boardwalks are funded by an FY24 State budget allocation. These boardwalks at 26 A and 36A will not be ADA-compliant due to the topography in those areas. These two boardwalks would be paid for out of the County's Greenbelt fund. The vote on those funds will take place in November with the award granted in December.

D. Report of budgeted expenditures from \$10,000-25,000 in accordance with Procurement Code:

- i. Tropical Storm Debby debris removal – \$16,800 [FY25, Disaster Recovery]**
- ii. Aerial lift for Recreation Department – \$14,100 [FY25 Budget, Capital Projects, \$15,000]**
- iii. Security camera server replacement for Recreation Department – \$17,000 [FY25 Budget, Capital Projects, \$18,500]**

8. Capital Projects Update

Administrator Fragoso said there was a kickoff meeting between engineers and staff regarding the Waterway Boulevard project. The permits for the drainage improvements at 38th and 41st avenues have been signed. The budget anticipates construction next fall. Work will be done in conjunction with the Water & Sewer Commission. The ADA-compliant kayak launch was installed this week at the public dock. The swings have yet to arrive. Administrator Fragoso met with Chief Cornett to review the necessary signage for the area to enforce illegal boat docking and mooring.

Administrator Fragoso explained the situation with the marina dredging project. The State awarded the City \$1.5 million for the project in FY23. The City reached out to the stakeholders in that area to see if they wanted to join in on the City's permitting effort to try to minimize mobilization costs. Additional surveys and studies will be required of those stakeholders by the Army Corps since they have not dredged before.

She continued, "Our permit alone, it's around 12-18 months. If we wait for a group to first get organized, hire their engineer, do all the permitting requirements to be able to join our permit, we are looking at at least two more years for the permit to be issued. The benefit is some of these stakeholders are looking at dredging along their private docks. There is a general permit that the Corps issues that allows a property owner to dredge up to 1500 cubic yards of sand long their property without all of the paperwork that they would be required if they organized and do it as one larger project. So we will be sharing that with those property owners. And our recommendation and our engineer's recommendation is that we move forward with the permitting process for the City."

If the owners do organize themselves in time, the City will include them and share in the mobilization costs. However, the City must spend the State's grant within a certain period of time.

Regarding beach restoration, Administrator Fragoso shared, "We are going to be executing the contract with CS&E for the second phase that Council approved last month, the second phase of the large scale project to get that permit process underway. Emergency beach restoration work is ongoing. We anticipate within this week to complete the placement of all of the sandbags that Council approved before two weeks ago approving 500 additional."

However, the cost per filled sandbag has gone up from \$450/bag to \$690/bag. Staff will purchase bags from multiple vendors to get the lowest price possible and use the \$225,000 approved by Council plus some monies from SCPRT in hopes of making up the cost difference.

The USACE is still not working 24/7 to pump sand onto Sullivan's Island, so there is no date set for their arrival on the Isle of Palms.

The City has responded to the comments received on the Shoal Management permit. They hope to have the permit by year's end. They are still waiting on the permit for the supplemental work.

The undergrounding project at 14th Avenue has to be reschedule due to Hurricane Helene.

Charleston County is awaiting one more permit for the sidewalk at 21st Avenue. The estimated cost for the project has increased. Bids for the project will be open for several months, so the project could be awarded in March putting the construction in the season. Staff is working with the County to expedite the project to minimize disruption as much as possible.

9. Strategic Plan Policy Initiatives and Priorities

A. Livability

Discussion of adopting resolution opposing state preemption of local regulations of short-term rentals

Mayor Pounds said this resolution is refreshing the City's opposition to the State's interference in short-term rental regulations.

Administrator Fragoso clarified, "The resolution from last year was specific to a bill that had been introduced. This is a more general, applies to any bill that tries to limit municipalities' ability to regulate short-term rentals."

B. Environmental

Discussion of approval of a contract to Alder Energy Systems in the amount of \$66,565 for the Public Works Solar Rooftop Project [Funded by a \$67,261 grant from SC Energy Efficiency and Conservation Block Grant]

Mayor Pounds said this project came a recommendation from the Environmental Advisory Committee who asked Zoning Administrator Simms to apply for the grant that has been awarded to the City. Council Member Bogosian said he would like to understand the economics of the solar panels and if they will provide savings. Director Kerr said he is unsure of how much the City could save; the office who provided the grant wanted public buildings to be used to promote solar energy.

C. Public Services

D. Personnel

E. Other items for discussion

i. Discussion of new revenue opportunities

Mayor Pounds shared a list of recommendations from the Beach Preservation Ad Hoc Committee who, among other things, was charged with looking at new funding mechanisms for future beach renourishment projects. He noted that some of the options on the list are within the City's control and some are not.

Council members discussed increased parking fees and number of parking spaces, increases in building permits, business license fees, and short-term rental fees, as well as the implementation of franchises on the beach. Administrator Fragoso pointed out that the recommendations being discussed assumes all increases will be realized into the Beach Preservation Fund, but that is not the only fund the City is responsible for funding.

Mayor Pounds said he does not favor the option of a property tax rollback. He would like Council's feedback on these options so that readings and public hearings can be held on those that the City can control. Council will need to lobby the State for more flexibility with regard to raising revenue.

ii. Discussion of FY26 state budget funding requests

Mayor Pounds said he is looking for Council's feedback on direct spending allocations to request of the FY26 State budget. Previous allocations have funded stormwater infrastructure improvements, ADA boardwalks, and some towards beach renourishment. Council Member Pierce pointed out that any monies received from the State would free up other City monies for beach renourishment.

Council and staff discussed sewer expansion and the possibility of the City sharing the cost of a federal lobbyist with the Water & Sewer Commission.

iii. Discussion of adopting a sister city in the Appalachia region to provide support during storm Helene recovery efforts

Council Member Ward's statement regarding the adoption of a sister city is attached to these minutes.

Administrator Fragoso said she would draft a resolution of what support would look like, but she needs to know what City to adopt. Council Member Anderson suggested Spruce Pine, NC. Council Member Ward said he would "ask the experts to see who has the most need."

iv. Presentation of new t shirt design for state ATAX funded free t-shirt program

Administrator Fragoso explained the t-shirt program, the recent design context, and shared the design selected by the ATAX Committee to adorn the new t-shirts. The Recreation Department would like to paint the new design on their shed. A second design promoting autism awareness was also selected.

Mayor Pounds suggested adopting the western North Carolina hometown of the young artist who created the winning design as the sister city.

10. Legislative Report

11. Adjournment

Council Member Ward made a motion to adjourn, and Council Member Hahn seconded the motion. The meeting adjourned at 6:53pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

From: **Rusty Streetman** rustystreetman@bellsouth.net
Subject: **Citizen Comments Rusty Streetman 13 44th Avenue, IOP City
Council Workshop 10/8/24**
Date: **Oct 6, 2024 at 1:05:11 PM**
Bcc: rustystreetman@bellsouth.net

Agenda Item 9A : Opposing State Preemption of Local Regulations of STR's

I agree with the proposed resolution and encourage the Council to adopt this. We must do all we can to preserve Home Rule which clearly states decisions regarding matters that directly impact the quality of life for a municipalities residents should be left to the localities themselves to decide. The protection of private property rights is paramount to this issue and shouldn't be decided by state legislators that seek unmitigated power and control over local municipalities.

Agenda Item 8di City Hall Renovation

I spoke to this subject at the last City Council meeting on September 24th, encouraging all of you to give this subject close scrutiny as you now begin to evaluate the options regarding replacement or renovation of City Hall.

I wanted to again emphasize the need for much community feedback in the form of public meetings on the subject , gaining as much feedback and input from the community at large . All the replacement options are expensive, and even with our island being in great financial shape , we have other high ticket priorities that are pressing, particularly with drainage, beach maintenance and renourishment needs,as well as under-grounding more power lines ,and working with SCDOT on Palm Blvd Bike, Pedestrian, and Parking enhancements.

I'm also in favor of this being

I do believe the renovation option for the City Hall should be re-visited and may be the best way to go financially for now, and I would encourage you all to look at that closely .

I also believe this should be considered as a referendum item next year, depending on the feedback you receive from the island residents.

Historically, we've taken high ticket projects or high profile items to the community to decide.

This would definitely qualify if the Council leans towards replacement of the current building.

Agenda Item 9eiii Discussion of adopting a "Sister City" in Appalachia.

I wanted to fully express my support of this being discussed and considered by City Council. I know all of our hearts go out to our neighbors to the north, and we're already helping in many ways with supplies , contributions, and volunteerism.

The efforts made through our police department, island residents, and businesses to get assistance quickly to the Asheville area was a very notable and worthy cause.

I believe this is a great cause to continue to support and I encourage you to embrace it.

On a personal note, this tragic situation reminds me of the situation we lived with throughout the Lowcountry in the aftermath of Hurricane Hugo 35 years ago, and all the help we welcomed and appreciated during that difficult time. I'm sure a lot of the assistance we received was from these same neighbors we now have an opportunity to support .

Thank you , Mayor and Council for your service to the island !

ASSISTANCE FOR APPALACHIA

WE ARE ALL VERY AWARE OF THE DESTRUCTION LEFT IN THE PATH OF HURRICANE HELENE, ESPECIALLY IN THE SMALL TOWNS & COMMUNITIES IN WESTERN NORTH CAROLINA. I AM HEARTENED BY THE SUPPORT FOR THE AREA FROM ALL OVER OUR GREAT NATION.

I AM CONCERNED WHAT WILL HAPPEN TO THESE COMMUNITIES WHEN THE TV CAMERAS AND PRESS ARE GONE. THE NEEDS OF THE FINE PEOPLE LIVING THERE WILL CONTINUE TO BE GREAT AND RESOURCES WILL MOST LIKELY BE HARD TO FIND. THE FALL FOLIAGE SEASON IS ALMOST UPON THEM, WITH THAT BRINGS A LOT OF TOURISTS TO ENJOY THE BEAUTY OF THE MOUNTAINS. BUT MANY ROADS ARE IMPASSABLE AND WILL BE SO FOR MONTHS, IF NOT YEARS TO COME. SO THAT REVENUE STREAM HAS BASICALLY DISAPPEARED FOR THIS YEAR. THEN COMES WINTER WHICH IS SHAPING UP TO BE ESPECIALLY TOUGH FOR THE RESIDENTS THIS YEAR.

I AM PROPOSING ISLE OF PALMS CITY COUNCIL REACH OUT TO OUR FRIENDS IN WESTERN NORTH CAROLINA TO ADOPT A TOWN OR COMMUNITY AS OUR SISTER CITY. I AM NOT PROPOSING MONETARY RESOURCES BUT, ALONG WITH CHARITABLE ORGANIZATIONS OFFER LOGISTICAL SUPPORT AND CONTINUED FOOD, WATER, WINTER CLOTHES, BLANKETS, ATVS, MEDICINE AND ALL THE OTHER THINGS TO SUSTAIN THE COMMUNITY SELECTED THROUGH THE DIFFICULT TIMES. THE CITY MAY WANT TO PARTNER WITH THE RED CROSS, SALVATION ARMY AND OTHER REPUTABLE DISASTER RELIEF ORGANIZATIONS TO SELECT THE COMMUNITY CHOSEN. I WOULD LIKE FOR CITY COUNCIL TO ENCOURAGE OTHER NEARBY COMMUNITIES TO ADOPT THEIR OWN SISTER CITY PROGRAM.

THANK YOU, COUNCIL FOR YOUR CONSIDERATION OF THIS VERY
IMPORTANT INITIATIVE. PEACE IN THE NEIGHBORHOOD, HELPING EACH
OTHER OUT.