

The Town Council of Sullivan's Island held a Planning Retreat on Saturday, March 10, 2012 at the Sewee Visitor and Environmental Center in Awendaw, S.C. All requirements of the Freedom of Information Act were met.

Present were: Mayor Carl Smith
Mayor Pro-Tem Mike Perkis
Councilwoman Hartley Cooper
Councilman Jerry Kaynard
Councilwoman Madeleine McGee
Councilman Pat O'Neil
Councilwoman Mary Jane Watson

Also present were Administrator Andy Benke, Town Clerk Ellen Miller, Comptroller Jason Blanton, Building Official Randy Robinson and Water & Sewer Manager Greg Gress. There were two residents in the audience; one being a member of the media.

Mayor Smith called the meeting to order at 9:08 a.m. The items for discussion on the agenda were: Revenue Projections, Accreted Land Management Plan, Town Hall Space Allocations, Urban Greenbelt RFP, Council Operations, and Special Event/Beach Permits.

Revenue Projections – Councilman Perkis. The Town is fairly limited to sources of revenue funds, and prefers to not raise the millage. About five years ago, the property tax portion of the Town's revenue was in the 52% range, and it is now approximately 43% because the Town has worked hard to move revenues more toward fees and other sources of revenues. In that respect, the burden is moved away from residents and more toward users of services. Over the past four years, these three revenue sources have comprised 63-69% of the total revenue. Other potential revenue sources are additional fees/annual increase in fees, and franchise fees. The franchise fee of five percent cannot be increased at this time. The accommodation and hospitality tax revenue is used mainly to support the services used by visitors. Sullivan's Island receives a small portion of tax because it is mainly a residential island. It is important to communicate to the residents that there is a cost associated with being a single family residential community.

The items discussed for potential revenue sources were: Special taxing district, transfer tax to homeowners, creating a non-profit organization, have Planning Commission look at opportunity of long-term rentals, lease Town-owned property for residential use, look at Town's assets that are not producing revenues, fees for construction, fees for applications to Boards, charge for commercial activity on the beach, charge for trash pick-up separately, enforcement of parking regulations, monetizing (to include selling) of Town property, PILOT (payment in lieu of taxes), usage of hospitality tax revenue, and short-term rentals.

The largest component on the expense side is salaries. It represents about 54% of employee compensation including retirement, health insurance and social security. Total compensation is about \$2,100,000 in FY11, while the salary portion is about \$1,600,000. An important item for the budget is to determine how annual cost of living salary increases could be funded either through the identification of new revenue streams and/or cutting expenses in order to not raise property taxes. One option to reduce expenses could be to cut service levels; however, it is Council's intention to give a very high level of service to the residents. Councilwoman McGee stated it should remain a possibility, as it is really a question of efficiency and technology to help the employees work more effectively.

Necessary expenses were identified as SC Beach Front Management Plan, Re-codification of the Town's ordinances and the annual audit. Potential additional expenses were identified as zoning administrator position, increase in maintenance on new/renovated Town Hall, and Accreted Land Management Plan. Future capital needs were identified as police/other vehicles, equipment – tractors, lawnmowers, etc.; and fire trucks – the ladder truck and pumper trucks are 15 to 20 years old.

Councilman Perkis reported that the Town's current bond capacity is \$3.7 million without a referendum; and Council will need to determine how the new Town Hall will be funded. A funding scenario will be presented at the next Council meeting. Other funding alternatives are debt financing and taking funds from reserves.

Accreted Land Management Plan – Councilman O'Neil presented a time line of the accreted land management plan. He stated he intended to discuss a plan for finalization and implementation of the accreted land; however, Attorney Derk Van Raalte advised that because of the impending court date for the case, Council should forego any significant discussion until the case does/does not go to trial, probably within the next two months.

Administrator Benke gave a brief history, and stated that most recently Mayor Smith, Councilman Perkis and Attorney Derk Van Raalte met with Bobby Hood and a couple of residents, and talked about a possible compromise. Their group hired Seamon Whitesides to do a rendering of a conceptual.

Councilman Kaynard stated usually the most productive negotiations are right before the litigation or right after the litigation has started, so it is a good opportunity to discuss a substantial working plan agreement, and to possibly consider a first phase of a project if the other side is willing and agreeable. He added that he believes Mr. Van Raalte is referring to taking any formal action on a comprehensive plan.

Mayor Smith stated in the meeting that he and Councilman Perkis had with Mr. Van Raalte, with Mr. Brickman and Mr. McCutcheon (residents and attorneys), they looked at the plan and it was a positive meeting. Mayor Smith and Councilman Perkis had questions about the plan and believed they would meet again to look at revisions, but a meeting was never planned. Councilman Kaynard said there has been some miscommunication from both sides. He went to the meeting Bobby Hood had and they thought the last letter they received was a rejection because it stated we thought we couldn't approve most of the items in the plan because another authority (DHEC) also had to review.

Councilman O'Neil stated that Mr. Van Raalte has followed up with another letter to them reiterating the fact that the Town is interested in getting into discussions and getting the information that Mayor Smith and Councilman Perkis have requested.

Councilman O'Neil stated the advice he received from Mr. Van Raalte yesterday was that given the short timeline, Council should wait a couple of months to go to trial or not before proceeding, and should honor the attorney's opinion.

Water and Sewer Report Manager Greg Gress distributed information regarding the milestones the department accomplished in 2011 regarding water and sewer, public outreach, safety and wastewater. He presented wastewater treatment projects and justification, along with a brief water report. This year they are re-prioritizing the planned water line pipes to go down I'on Avenue in preparation for the new school.

Mr. Gress informed Council of a proposed Bill that has gone to Committee to allow property owners to drill a well on their property and to use septic tanks irregardless of whether there is a public sewer system available. The S.C. Rural Water Association and the Water Utility Council is monitoring this and keeping Mr. Gress updated.

Mr. Gress focused on the wastewater collection system. The department has been doing I&I (inflow and infiltration) reduction since 2003. They are to the point where they need to get into the ground, and that is where expenses are. He stated if you try to stop inflow and infiltration, it is a very complex and dynamic system. The best way to describe is if plugging in one hole, it will come out another hole and another, until the entire pipe is plugged – during that time it will constantly change.

He continued that it is in our best interest to get the stormwater in its proper channels and get it off the island. He presented a chart of actual infiltration coming in from each of the six lift stations. He stated they are rebuilding some of the pump stations each year for a cost of \$15-20,000 on new parts. All of the I&I is bringing in sand and wearing out the pumps. The original efficiency of the pumps is only 50%. Submersible pumps are in the 80% range. There are funding options, and FEMA has a pre-disaster mitigation grant that is a 75-25 match. It would cost about \$1 million to convert (\$250,000 with grant) for submersible pumps.

Mr. Gress stated in relation to the revenue presentation this morning that there are other sources of revenue related to water if you are willing to think outside the box, such as selling ice. Councilwoman McGee suggested having a community meeting to discuss ideas only – no plan for action. Mayor Smith suggested an ad hoc committee could be created.

Town Hall Space Allocations - Mr. David Creech of Creech & Associates Architectural Design presented the Town Hall and Police Space Study. Mr. Creech reviewed the scope of work and the task. He reviewed the space needs study and reductions in the needed square footage. The current administration and police trailers are about 5,700 square feet, and the 1610 Middle building is about 7,600 square feet. RiskTech evaluated the environmental issues in the building and their report shows evidence of high humidity, moisture intrusion and possible ground water penetration, mold present in most areas and significant remediation required. They recommended studies of the building envelope – exterior walls of the building – and the HVAC system. Mr. Creech summarized the structural

component. While the structure is in good condition, it lacks lateral force resisting elements; some deterioration at newer openings; moderate to severe cracking at infill locations; missing and spalling brick; truss connections to walls weak; code upgrades likely not required; below current flood regulations; and repointing of some or all of the brick. The cost of renovating the existing Town Hall at 1610 Middle Street building (7,600 sq ft) would probably be \$1,532,179, and the addition of the Police Station (2,000 sq ft) to the Fire Station as well as the boat shed addition (1,600 sq ft) brings the total to \$2,014,350. After including furniture, fixtures equipment, and contingency and fees, the total probable cost would be \$2,517,938. However, Mr. Creech did note that the Police Station addition estimation could be on the low side.

Design Works presented site plans and renderings of the proposed Town Hall building at 1610 Middle Street as well as the new Town Hall & Police Building in the park area. The proposed new building will be placed in the park where the grand stand is currently located, and the grand stand will be moved over to the right of the building. There was a discussion of how the building could be used in conjunction with events at the park.

Mr. Creech stated the probable cost of the New Town Hall including the Police Department (9,900 sq ft) at the park location is \$2,726,350. With the boat shed addition for vehicles and equipment, along with furniture, fixtures, equipment and contingency and fees, the total probable cost would be \$3,532,513.

After discussion, it was agreed that before making a presentation to the public, the results of David Creech's structural review of the 1714 Middle Street building should be received and reviewed by Council. Mr. Benke will contact Mr. Creech to schedule the review as quickly as possible.

Urban Greenbelt RFP – After discussion, Council agreed to drop the RFP and ask for written quotes to proceed with a path in a small area. Councilwoman McGee, Councilman O'Neil and Administrator Benke will meet to determine how to proceed.

Town Council Operations –
Committee and Meeting Structure – Councilman Kaynard stated the sequence of meetings/ three separate readings of ordinances followed by ratification is in the Town ordinance; it is not part of State law. State law 5-70-270 states an ordinance must be read at separate times on two separate days with at least six days between each reading. The Town's ordinance supersedes that. Council could modify the ordinance adoption procedure so the timing of meetings or number of readings could be changed. There is a historic reason that ratification has taken place at a separate meeting that perhaps Attorney Dodds would know. Council agreed to go to two readings and wanted Attorney Dodd's input regarding ratification. Also, it was discussed if it was functional to have two meetings a month when they typically only vote at one meeting. Council has called special meetings many times in order to vote on a topic or ordinance, especially during the budgeting process. In order to perhaps have Committee meetings at different times to do the detailed work, a Special Communications Task Committee was named to discuss reorganizing/consolidating committee structure, and look at special events being approved in Committee vs. Council meetings. The Committee consists of Councilman O'Neil, Councilwoman Watson and Councilman Kaynard. Councilman Kaynard also presented that our

ordinance 2-27(F) states when an ordinance is introduced the Council member or committee who is presenting it signs and indicates who is sponsoring the ordinance.

Councilman Kaynard stated that three or four years ago, Mayor Smith appointed the Personnel Committee as the public participation ad hoc committee. It now consists of Councilwoman Watson, Councilwoman Cooper, and Councilman Kaynard. The Committee will make a recommendation to Council about the public comment session.

Communication Strategy – Administrative Benke presented information on purchasing a new Town server or using The Cloud. It was determined the staff would make the decision on the server. Other topics discussed were digitizing ordinances and minutes, laptops/ipads for Council members and/or Boards and Commissions, and updating the website, possibly upgrading to Civic Plus.

Building and Construction Staffing – Councilman Kaynard stated the Personnel and Building & Construction Committees recommend to proceed with filling the Zoning Administrator position with details to still be considered such whether it is a full or part-time position. The Committees recommend a full-time position. They will present a job description to Council.

Special Events and Beach Permits – Information was presented regarding fees associated for these permits in other municipalities. There are no significant fees associated with these type of permits. Councilwoman McGee stated a standard operating procedure for these permits is needed instead of a decision of Council. Councilman Kaynard suggested before discussing in Committee for staff to construct a list of the events we are not charging for or that we are charging a nominal fee.

Motion was made by Councilman Kaynard, seconded by Councilman O’Neil, to amend the agenda to add executive session for legal advice on the pending declaratory judgment lawsuit, carried unanimously. Motion was made by Councilman Perkis, seconded by Councilman O’Neil, to come out of executive session, carried unanimously. Mayor Smith stated that no action or votes were taken. The meeting was unanimously adjourned at 4:00 p.m.

Respectfully submitted,

Ellen Miller