

COMMITTEE ON WAYS AND MEANS

June 17, 2019

A meeting of the Committee on Ways and Means was held this date beginning at 4:32 p.m.

PRESENT (13)

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Lewis	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Griffin	District 10
Councilmember Wagner	District 5	Councilmember Moody	District 11
Councilmember Gregorie	District 6	Councilmember Jackson	District 12

1. INVOCATION:

The meeting was opened with an invocation provided by Councilmember Gregorie.

2. APPROVAL OF MINUTES:

On a motion of Councilmember Gregorie, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve the minutes of the April 23, 2019 and May 14, 2019 Committee on Ways and Means meetings. The minutes of the May 28, 2019 meeting were deferred.

3. BIDS AND PURCHASES

On a motion of Councilmember Moody, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the bids and purchases as follows:

STORMWATER: ACCOUNT:050312-58240 APPROPRIATION: \$47,574

Approval to provide payment for \$101,574 to B&C Land Development for the check valves at Concord St. 50% of this cost will be reimbursed under the existing project MOU. This work was previously approved by Council for up to \$54,000 of cost. The amount is being adjusted to reflect the full payment followed by reimbursement. Total cost after reimbursement to the City will be \$50,787.

PARKS DEPARTMENT: ACCOUNT:171500-52410 APPROPRIATION: \$44,160

Approval to acquire services for Floor Replacement at the City Art Gallery from Bonitz Flooring Group, Inc., 1933 Technology Drive, Charleston, SC 29492; Solicitation #19-B036R. This is funded in the 2019 Hospitality Fund to be transferred to the General Fund.

STORMWATER: ACCOUNT: 050345-52425 APPROPRIATION: \$48,750

Approval of purchase services for Emergency Manhole and Brick Arch Repair: Tradd and Church Streets; work performed by Palmetto Gunite Construction Company, Inc.; Drainage Fund.

POLICE DEPARTMENT: ACCOUNT: 062019-58010 APPROPRIATION: \$101,865

Approval to purchase three (3) each 2020 Ford Interceptor SUVs from Vic Bailey Ford, 501 E. Daniel Morgan Ave., Spartanburg, SC 29302. 2019 Lease Purchase Funds will be used

INFORMATION TECHNOLOGY : ACCOUNT:162000-52206 APPROPRIATION: \$51,428.93

Approval to pay for bi-annual updated aerial imaging for GIS data; GSA Contract #GS-35F-0901N. This payment represents the City of Charleston's piece of the total (\$153,810.37 with tax), with the remainder being paid by Charleston County as a joint imaging flight for the Pictometry oblique aerial image sets.

FIRE DEPARTMENT: ACCOUNT:210000-58015 APPROPRIATION: \$54,820.15

Approval to purchase a Bauer Compressor and required accessories from Safe Air System, 210 Labrador Dr., Randleman, NC 27317; NPPGov Contract #PS17006

BFRC: ACCOUNT:050380/050381-52206 APPROPRIATION: \$371,588

Approval to purchase services related to the Demolition and Restoration of properties West of the Ashley performed by Target Contractors, LLC, 9797 Hwy. 78, Ladson, SC 29456; Solicitation #19-B035R; 75/25 FEMA Grant; City match coming from Drainage Fund

4. MAYOR'S OFFICE FOR CHILDREN YOUTH AND FAMILIES: APPROVAL TO APPLY FOR A YOUTH SERVICE GRANT AWARD OF \$2,000 IN ORDER TO ENGAGE YOUTH IN SERVICE ON NATIONALLY RECOGNIZED SERVICE DATES INCLUDING THE 2020 MLK DAY OF SERVICE AND THE 2020 GLOBAL YOUTH SERVICE DAY. THIS GRANT WILL BE SUBMITTED ON JUNE 14, 2019 DUE TO THE APPLICATION DEADLINE. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Mitchell, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve to apply for a youth service grant award of \$2,000 in order to engage youth in service on nationally recognized service dates including the 2020 MLK Day of Service and the 2020 Global Youth Service Day.

5. POLICE DEPARTMENT: APPROVAL OF THE FY19 PAUL COVERDELL FORENSIC SCIENCE IMPROVEMENT GRANT APPLICATION FOR TECHNOLOGICAL ENHANCEMENTS TO THE CHARLESTON POLICE DEPARTMENT FORENSIC SCIENCE DIVISION. IF AWARDED, THE GRANT WILL FUND \$96,380 FOR TECHNOLOGY EQUIPMENT AND TRAINING. DUE TO TIME CONSTRAINTS, THIS APPLICATION WAS SUBMITTED ON JUNE 4, 2019. THIS PROJECT DOES NOT REQUIRE A CITY MATCH. THIS IS AN AFTER-THE-FACT APPROVAL.

On a motion of Councilmember Griffin, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve the FY19 Paul Coverdell Forensic Science Improvement grant application for technological enhancements to the Charleston Police Department Forensic Science Division.

6. PARKS-CAPITAL PROJECTS: APPROVAL TO ACCEPT 2019 CHARLESTON COUNTY GREENBELT FUNDS IN THE AMOUNT OF \$5,700,000 FOR THE PURCHASE OF AN 8.46 ACRE WATERFRONT PROPERTY ON JAMES ISLAND (FORT PEMBERTON). THERE ARE NO MATCHING FUNDS FOR THIS GRANT AND FUNDING OF THE GRANT COMES FROM THE "URBAN" GREENBELT FUNDING ALLOCATED TO THE CITY.

On a motion of Councilwoman Jackson, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously approve to accept the 2019 Charleston County Greenbelt funds in the amount of \$5,700,000 for the purchase of an 8.46 acre waterfront property on James Island (Fort Pemberton).

7. STORMWATER MANAGEMENT: APPROVAL TO ACCEPT THE SCRIA GRANT AWARD FOR \$499,292 THAT REQUIRES A CITY MATCH OF \$302,141 TO PARTIALLY COVER THE CONSTRUCTION COSTS OF THE HUGER DRAINAGE IMPROVEMENT PROJECT. THE CITY MUST SUBMIT THE GRANT ACCEPTANCE DOCUMENTS TO SCRIA NO LATER THAN JUNE 23, 2019. THE CITY MATCH OF \$302,141 IS AVAILABLE THROUGH AN EXISTING PROJECT ALLOCATION OF \$964,886 FROM THE COOPER RIVER BRIDGE TIF.

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve to accept the SCRIA grant award for \$499,292 that requires a City match of \$302,141 to partially cover the construction costs of the Huger Drainage Improvement project.

8. STORMWATER MANAGEMENT: APPROVAL OF SPRING-FISHBURNE US 17 PHASE 2 FEE AMENDMENT #16 WITH DAVIS AND FLOYD, INC. IN THE AMOUNT OF \$30,700 FOR ADDITIONAL CONSTRUCTION ENGINEERING & INSPECTION (CEI) WORK DUE TO DELAYS THAT EXTENDED THE COMPLETION TIMEFRAME OF THE PROJECT.

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve of Spring-Fishburne US 17 Phase 2 Fee Amendment #16 with Davis and Floyd, Inc. in the amount of \$30,700 for additional Construction Engineering & Inspection (CEI) work due to delays that extended the completion timeframe of the project.

9. STORMWATER MANAGEMENT: APPROVAL OF SPRING-FISHBURNE US 17 FEE AMENDMENT #17 WITH DAVIS AND FLOYD, INC. IN THE AMOUNT OF \$348,208 FOR ADDITIONAL DESIGN AND PROFESSIONAL SERVICE WORK IN SUPPORT OF PHASE 4 PROJECT WORK.

10. STORMWATER MANAGEMENT: APPROVAL OF SPRING-FISHBURNE US17 PHASE 3 FEE AMENDMENT #19 WITH DAVIS AND FLOYD IN THE AMOUNT OF \$1,171,514 FOR ADDITIONAL CEI SERVICES BASED UPON THE CONTINUATION OF SERVICES BEYOND THE ORIGINAL CONSTRUCTION CONTRACT END DATE OF JULY 5, 2019 TO THE CURRENT CONTRACT END DATE OF OCTOBER 11, 2019 AND COVERS ANTICIPATED ADDITIONAL EFFORT BETWEEN THE LATEST PROJECT DATE OF COMPLETION (MARCH 18, 2020). APPROVAL OF FEE AMENDMENT #19 WILL INCREASE THE PHASE 3 PORTION OF THE OVERALL PROFESSIONAL SERVICES CONTRACT BY \$1,171,514 (FROM \$5,300,670 TO \$6,472,184). THE FUNDING SOURCE FOR THIS WORK IS THE STATE INFRASTRUCTURE BANK (SIB).

Councilmember Mitchell made a motion to approve. Councilwoman Jackson seconded the motion.

Councilmember Waring asked for additional oversight on this item and some of the larger amendments to the contract. He asked that some of them come before the Committee on Public Works and Utilities as opposed to just coming straight to Ways and Means, so that they could receive more detail and transparency. He said a lot of times they approved items automatically, and on this project, they could no longer do that. Currently, they were about to approve \$1.5 million, and they could not say what it was for. He asked for Items 9 and 10 to come before the Committee on Public Works and Utilities and come back to Ways and Means. Councilmember Shahid seconded the motion.

Matt Fountain, Director of Stormwater Management, stated they did address the items briefly at the Public Works and Utilities meeting. Councilmember Waring said he and Mr. Fountain had a conversation regarding it last week, but to his knowledge, they had not had an update with all of the Councilmembers at Public Works and Utilities. Mr. Fountain said it was one of the updates during the Project Manager updates at the meeting and if there were any questions regarding the amendments being proposed at this meeting. Councilmember Waring said the reason he did not object at that time was because he knew it was already on the Ways and Means agenda, and he was going to have discussion on the floor. It was not on their agenda at Public Works and Utilities.

Councilmember Waring said this was the 19th amendment they had on the project, and many of them had almost been automatic. He thought in part that was how they got to the huge deficit. He said they needed to roll up their sleeves as an entire Council and work hard on some of those items because they should not be automatic.

Councilmember Gregorie said that consistent with the rules of the body and the responsibilities of all of the Standing Committees, he thought what Councilmember Waring was suggesting was consistent with the rules. He did not think it necessarily applied solely to Public Service, but to most of the Committees. He said that sometimes instead of going to the standing committee, it came to the Committee as a whole. Items never had an opportunity to be vetted at the committee level, so the committee could make a recommendation to the body as a whole. He said it would mean more work for the committees, but they were elected to represent the interests of the people, and it took longer than ten to 15 minutes to make a decision on items that came before them. He hoped as they moved forward, that all things which related to a specific committee came before them first before the body as a whole. He said they had been strengthening the committees over the last three years, but he wanted them to be consistent across the board.

Councilmember Seekings said he was fine with that and asked Mr. Fountain to give an update on Items 9 and 10 as he was not on the Public Works and Utilities Committee. He said they spoke about it at the Ad Hoc Budget Advisory Committee meeting and asked for an overview. Mr. Fountain said that Item 9 had previously been considered by Council and was deferred and had been the subject of a number of workshops. Mr. Fountain explained that Item 10 was for the construction, engineering, and inspection services as part of the ongoing construction project. There was a clock on when the existing funding ran out, and the work would stop on the project at that point. He said that time was probably August or September depending on burn rate. He said part of the intention of bringing it early was making sure they didn't have an issue where they were running up against an area where they had to determine whether or not they could continue to work without authorization or whether or not they had to stop the project. Chairman White said most of the consternation was with regards to Item 9, but he thought between now and August, they could get it in front of the Public Works and Utilities. Councilmember Seekings asked for an outline.

Mr. Fountain said that Item 9 was Amendment #17 to the project. It had been discussed at some length with Councilmembers, but it was related to charges on the Phase IV design portion of the project, work that had been completed and then brought to Council for approval. He said they broke it into five tasks for clarity. The first task was a structural report for oyster mitigation work, which was approximately \$4,950. That was part of the City's Memorandum of Understanding with The Citadel, and there was a 50/50 cost split for the structural integrity section of the port that the oyster shells were stored on for their quarantine period to make sure that section of the port did not collapse from having that level of oyster shells placed on it. It was a time sensitive issue. Item 2 was composed of the mitigation projects themselves, which was the development of the cost share agreement for a 50/50 cost split with The Citadel Foundation for mitigation work they had, and those two projects were combined together. That included the agreement to use the State Ports Authority terminal and work on the Guerin Creek Project, the rebar for the salt marsh mitigation. Mr. Fountain said that was approximately \$19,635. The third item was value engineering that was requested. A third party team of consultants was brought in from other offices to review the project to determine whether or not there were other approaches that could have been used towards the project. That was \$12,785. Task four was the movement of items from a potential Phase V into Phase IV, which was the construction they were just beginning. They also had Phase III construction continuing. Phase IV consisted of the wet well and the outfall construction into the Ashley River, and the project would be functional at the end of the phase. The City would be able to use it as a gravity system. It did not have the same capabilities for service as it would with the pump station, but there would at least be some functionality to it at that point in the project. He said that was approximately \$132,375. He stated those were costs moved from Phase V into Phase IV that would have been expended either way. Mr. Fountain said the item which created most of the discussion was the fifth item, which was composed of the design revisions. Those were items to address life cycle, cost of operation, improving maintenance capabilities and efforts on the project, and there were some adjustments for as built conditions on a previous phase trying to make the project perform better and easier to maintain. This item had the most negotiation, and the charge was roughly \$178,000 as presented in the current change order request.

Councilmember Griffin said he wanted to refer back to the Public Works Committee to explain how the committee received the updates. He said each one of the City's project managers gave a presentation of what projects they had been overseeing, but they did not do so in writing. He thought going forward, it would be smart for the committee members to receive a list with bullet points and summary items. He said when they reviewed a list within a few minutes when an engineer had a number of projects they were working on, they did not necessarily pick-up on everything that was going to be on that night's agenda. They were talking about Amendment #19, and they could not dissect that kind of information within minutes or hours. It took several hours to put together the plans to do it, and it would be like asking them to dissect the Constitution within a matter of hours. He said staff put a lot of work into coming up with the presentations and their memos. As Councilmembers relaying the information to their constituents and making the decision to appropriate that kind of money, they needed enough time to dissect those items and ask questions. He said on a project that had been a failure in terms of the money spent and needed a drastic amount of amendments and change orders, they were asking for more time. He thought this was the right thing to do because they could not afford to make another bad decision on the project. If it had to come through Public Works to give them an opportunity to really dissect it, he thought that would make Ways and Means more informed as they moved forward. He thought if they could get a memo or summary of the project, it would be very helpful.

Councilmember Gregorie asked Mr. Fountain to distinguish the difference between an Amendment and a Change Order. Mr. Fountain said these were amendments to professional service contracts. They were adjustments to the scoping of the contract. Many of those were composed of proposed new work as they had each phase of the contract open. The original contract may be to design Phase I, and there may be an amendment to do the construction, engineering, and inspection on Phase I. They might come back with an amendment for the design fee to do the design on Phase II, etc. A number of those amendments were anticipated as parts of increasing that scope of the project. Councilmember Gregorie asked how they verified the amounts of the requests for amendments or change orders. Mr. Fountain said the professional service amendments were just like any contract they entered into with a professional services firm. The firm itself was based on qualifications. Once they were in fee negotiations, they were negotiating off of scope, primarily, and determining the appropriate scope and what the professional service fee that was appropriate for that work and determining the time necessary to perform the steps. He said some of it was regulated under State law, and some of it was up to the project manager as to how they conducted the negotiation work. Councilmember Gregorie asked at what point the budget office became involved in the negotiations and amendments. Mr. Fountain said the budget office had to be involved with what funding was available within the project itself. He said that was very important for projects because they needed to make sure they had funding to actually design, build, and construct the project, not just do the design work. He said they had built a good relationship with the finance department in that respect. Councilmember Gregorie asked if they did deductions sometimes of requests. Mr. Fountain confirmed and said part of the negotiations was determining what was appropriate for scoping, and did they think they could have less or more of a service. There was both addition and deduction in that process.

Councilmember Lewis asked about Item #7 and asked what would happen after the grant was submitted. Mr. Fountain said separate from the grant acceptance, the Capital Review Projects committee had on its agenda the negotiated scope and contract with JMT, the consultant, to do the design work on the first phase of the project. Councilmember Lewis asked for the timeframe. Mr. Fountain said the next CPR meeting was the beginning of July, so the contract would go to that committee, and if they had time, it would go to Public Works and Utilities. If not, it would go to the August Public Works and Utilities meeting at that point. Then it would come back to Ways and Means, and if Ways and Means approved it, it would go to Council. Then, there would be an award by the end of August.

Councilwoman Jackson said she came to the Spring/Fishburne plan late as they were presented with the cost increase the past year and needed to come to grips with the fact that those increases were necessary. She thought they did a thorough job of asking the right questions and getting thorough, detailed answers. She remembered they had two workshops, and they were receiving frequent reports from Mr. Kirk in detail about what was being done and what was expected to be done. She said the missing link was the same type of reporting was not done as an agenda item at Public Works and Utilities. She thought they should be on record that they had received an amazing response from the staff once they understood how concerned the Council was in the completion of the overall project. They were part of the reworking agreeing they could jump ahead, take parts off of Phase V, and put them back on Phase IV, so they would have a very functional system, not to the full extent that it had been planned with the working pumps, but they would have a drainage system that would serve their system. The Mayor had also been trying to communicate with the neighborhoods and the citizens. She did not want to leave the impression that they were still where they were a year ago and like they were not receiving important information. She was interested in everything that came out of Public Works,

so she supported that everything like this should go through Public Works, but she really thought they needed to make the record clear. The only thing she had not seen was the negotiation they had authorized Mr. Fountain to make on their behalf to get the number as small as possible and still get the work for Amendment #17. She said \$150,000 off of a bill that started at \$505,000 was a pretty amazing accomplishment. She thanked Mr. Fountain for that negotiation and said she hoped they could meet his deadlines as they did not want to put a halt to any progress that was being made on the project.

Councilmember Griffin said he was just saying they needed to undertake the same due diligence as staff, and they needed to have the same amount of time to digest that information. Ultimately, it fell on them, and they were the last line of defense. He said they were the ones that had to answer to the community and had to appropriate the money in the budget. He said he thought they had already appropriated all of the SIB money a couple of months ago and asked if all of the money had already been allocated for Item 10 at that time. He thought they did not have any more SIB money left. Amy Wharton, CFO, explained they had \$88 million in SIB money that was going towards Phase III and Phase IV. All of the numbers she gave to Council for those items were included. Councilmember Griffin asked if they had not received any more SIB money, and if they were tapped out at the \$88 million. Ms. Wharton said they had \$88 million, and that was it.

Councilmember Wagner said he left his office at about 11:50 a.m., had lunch with someone, and then came to the Public Works and Utilities Committee meeting at 1:30 p.m. He said the time on Mr. Fountain's e-mail was 11:56 a.m., and the first time he saw it was when he sat down for Ways and Means. He asked how he was supposed to digest something if he had not seen it. He said that was in essence what had happened when they walked in. They had not seen it. He said from his quick perusal, this item was the engineering contract. He said he saw the word 'acceleration' in the contract more than one time and had a hard time understanding how they accelerated an engineering contract for a specific period of time. He also did not know how they delayed it. In all of the years he was in contracts, those were the two items they looked really close at. He said the Federal Government believed that if someone lived in an area that had thirteen inches of rain in twelve days a month in July, it was not a delay and should be expected because that was normal. Anytime he saw those two words, he got worried. If a hurricane came and the project closed down, was that a delay? He said it was a weather event and an act of God, but should they pay someone for it? If somebody placed something upside down or backwards, did the City had to pay for them to fix it, or was that his responsibility? They had a tremendous overrun on the whole project, and they were way behind schedule. He knew they had great staff, but he had to wonder how this was occurring, and who was signing off on acceleration. He said that should be an amendment to the contract in and of itself. He said it took more than five minutes to put the documents together and prepare analysis, so he wanted them to have a shot at it. He said they needed to get the project right from now on because if they didn't, they would run out of money, and Public Works was the place to do it.

Councilmember Waring said on Amendment #19, Mr. Fountain had alluded to a change in the scope. If there was a change in the scope in the work, the professional changes would change. He asked if any Councilmember around the table could tell him the change in the scope of the drainage project which precipitated the \$1.7 million change in professional services. He said the scope of the project was being changed and altered from the original concept, and they were getting a request to approve the professional services on the consulting part of it. He asked who approved the change of the scope of the work. He said that was done, and they did not know why the original design of the work would no longer work and why they needed to have it done. Those were the specifics they were not getting, and

they would not get that in a Ways and Means report, and they would not get that in a summary from Mr. Kirk. He said some of that information needed to be pushed out to the Mayor and Council because there was a domino effect.

Mr. Fountain said that amendment had been addressed in great detail at the Ad Hoc Budget Advisory Committee. Councilmember Waring asked how many Councilmembers were in attendance at the meeting, and Mr. Fountain confirmed it was four. Councilmember Waring said they had four people around the table that knew the specifics of the change, but it was not a majority of Council. When they had a \$40 million overrun, all of them needed to go to work. Mr. Fountain asked if they wanted him to bring the items through the Committee on Ways and Means with the majority of Council or to Public Works and Utilities. Councilmember Waring asked who received the information when the scope was proposed. Mr. Fountain said the scope would come through the project manager. Councilmember Waring asked who made the decision to change the scope. Mr. Fountain said it would come to Ways and Means and then to City Council for approval. Councilmember Waring said that when the request came, the information needed to come out to Council and the Mayor. He said they were getting an after-the-fact approval. They already approved the change of the scope, and now they were approving someone to design the change in the scope, and they did not even know why the scope needed to be changed. One of his concerns was that the project would have drained efficiently if built the way it was originally designed. They had a number of changes along the way, and he asked if the changes had to be made or the project would not work. He did not believe that the project was originally designed not to work. They had too many other ones that came prior to that which did. When the changes to the scope came through, in his opinion, sometimes that was optional. If it was optional, they should have the right to say yes or no. Currently, it was all coming before them as if they did not approve it, they were holding up the project and running up the cost. He said he still drove his Ford truck, and it still worked even though there were newer models, but he chose not to get a new truck. Some of the changes in the scope, the Mayor and Council, needed to have the knowledge to ask if they wanted the change or not. Currently, they weren't in that position with enough information. He said that was not Mr. Fountain's fault. It was the way the process had been, and the process had to change.

Mayor Tecklenburg said he appreciated the discussion, and part of this was about changing the process for the better. He thought Mr. Fountain was a breath of fresh air in that regard. He said he thought he had tried in a sincere way to bring more things to the standing committees over the last few years, and he was very happy to take the two amendments back to the Public Works Committee and fully vet every aspect of it. There had been a lot of conversation about Item #9, and he concurred with Councilwoman Jackson that Mr. Fountain had done a terrific job negotiating with representatives of Davis & Floyd. They had met recently with Stephen Davis, and they were trying to do everything in a collaborative way given a 40 year relationship with the City to try and resolve the past issues and move forward in a very good way. Mayor Tecklenburg said they all wanted to move forward as quickly as they could with the Huger and King Street project. At this point, the next thing after the vetting of the RFP was just to bring it to Ways and Means. He said that it seemed to him that was a case where they did not need the extra step of going back to Public Works and Utilities before it came to Ways and Means. They all concurred the project was on their list, and they wanted to move it forward. If the next step was to have a contract with the engineering firm to do the final design to get the project moving, he did not know what really needed to be vetted in that regard. He suggested having a conversation about some of the matters and making some decisions about going for a deeper conversation at Public Works and Utilities versus going for approval for Ways and Means or repair of some archway. He thanked David

and Floyd for the efforts they had made recently to resolve the matter with them, and he looked forward to working on it at the next Public Works and Utilities Committee meeting.

Councilmember Shahid said he wanted to go back to a conversation they had several months ago when the issue had come up. He had made a point that the problem was a lack of communication, and they were not brought up to speed on the project from time to time. What he noticed on Item #10, was there was a letter from Davis and Floyd attached from May 16, 2019. He did not want to speak for Councilmember Waring, but it seemed to him that since they had some knowledge about the request from over a month ago, that at that time, a conversation should have been had between the Chairman of Public Works and Utilities and Mr. Fountain to put them on notice that this was going to come up in the immediate future. The whole problem was they were not getting enough information in advance to understand what they were doing. They were talking about a huge project, and they were about to vote on spending over \$1,000,000. They all wanted the project to be completed and successful and make sure the money was being spent appropriately. They did not want to add layers of bureaucracy to delay it, but it was a matter of communication and getting them the information as fast and efficiently as they could. He thought the Committee Chair should be made aware of what was occurring, and if he knew, they would be better informed as he could communicate with them about what was taking place. He thought this should occur at least a month before it came before their Committees. He understood there was a lot of work that had to be done in the meantime, but at least they could start asking questions before it came to them. He recommended better communication between the Public Works and Utilities Chair and their Director as far in advance as possible.

Councilmember Waring said he agreed with what was said, but he wanted to know who approved the changes to the scope of the project. He asked the Mayor who was making that decision as he did not know. He asked who made the decision to change the scope of Amendment #19. Mayor Tecklenburg said that Mr. Fountain had answered the question correctly, and it was City Council. He said that was #9, and with #10, he was bringing the item before the fact, and they were changing the scope. It was a matter of timing forced upon them by the actual company drilling the line for the tunnel. They were behind schedule, so now it would take longer for Davis & Floyd to look at their work and do their CEI services that went along with the construction. Davis & Floyd's original end date was July 5th of next month. Councilmember Waring asked Mr. Fountain if the job was supposed to go one way, and the City wanted it to go a different way. He asked what the actual change order was. Mr. Fountain said Amendment #19 was just an extension of an existing service. There was no change in scope associated with the task. It was because the original construction contract was scheduled to end in July, so the costing was phased through July. There had been delays to the project that had also extended the amount of time by reducing the burn rate on the CEI work, and the City now had funding through August to early September depending on what the final burn rate was. The current construction schedule for Phase III projected a finish date between March and May of 2020. This was to extend the existing services to cover that extra timeframe. There was a discussion of liquidated damages associated with the contractor being over his schedule that is involved with that, but all it was, was the extension of the existing construction and engineering inspection work to observe the contractor and make sure it was being performed under contract and scope for that new end date for the construction contract. Councilmember Waring asked Mr. Fountain to explain how Davis & Floyd was burning money when the contract was delayed. Mr. Fountain said some of the delay was why the original budget went from July to the August/September period. The reason they would not be out of money until the August/September is because they were able not to expend funds during some of the delay. Some of the delay was a weather-related delay. The contract did account for weather, and it had a specific

number of days within months for contract weather delays. If there were more weather delays than what was in the contract, then there was an allowance within the contract to extend the contract time. There was not much money expended during those days because the project was generally on hold. There might be a minor inspection, but that was why the current funding stretched longer than originally anticipated. The additional delays were partially due to the contractor not completing the project at the rate the contractor had projected to complete the project. That was where liquidated damages would come in. Liquidated damages were a fee that the contractor had to pay. There were additional changes with the project that included a claim from the contractor earlier in the project that had days associated with it, and there were pending claims on the contract as was somewhat usual with a large contract and could result in potential additional days. Additionally, the contractor was behind schedule and struggling with the actual work.

Councilmember Seekings asked if they were successful in collecting the contractually set-out liquidated damages, how much of the change order would be covered by the liquidated damages provision where they would get money back. Mr. Fountain said there was a potential for up to \$700,000 depending on the actual negotiation. Councilmember Seekings said they would have some savings.

Councilmember Griffin asked Councilmember Waring if he was okay with pushing the two items forward to vote or if he still wanted to defer them until Public Works. Councilmember Waring said he wanted the process to change. They had received more information during this meeting, and he asked them to think about if they had something like this at Public Works. Mr. Fountain said part of the reason Amendment #19 was on the agenda despite the previous date on the cover letter was because it had to go through the Capital Review Committee prior to coming to Ways and Means for Council approval. He said that was why they were seeing that delay on the contract. Currently, they were on monthly meetings, so an item would have to hit the previous Capital Review meeting prior to being able to come to the Ways and Means agenda meeting. They said they needed to make sure if they set it up on Public Works and Utilities, he did not know if they would have time to move it to the Ways and Means agenda on the following night, or if they would have to shift the meeting back in order to get it on the publicly noticed agenda. He said he knew they wanted to move things forward quickly, but they also wanted to make sure they understood what the repercussions were. Ms. Herdina said she wanted to mention that under the current procedures, Public Works and Utilities coordinated with different departments and reported out its information directly to City Council. Ways and Means was the committee that made decisions on financing. She said they had to be thinking about backing up the Public Works and Utilities meetings so that if they had recommendations on financial matters, they had to have enough time to add them to the agenda for Ways and Means. He said they needed to coordinate all of that. She said they would probably just need to move the dates of Public Works and Utilities back, so that if there were contracts that needed some approvals from the Committee, they had to do it early enough, so that it could then get on the next City Council agenda, so they weren't talking about a two month delay. Councilmember Waring said he was 100 percent in agreement with that. Councilmember Waring said he was so flexible, they told him when the meeting was held, and he worked with that date. Ms. Herdina said the rules did not require Public Works and Utilities to meet on any particular day. If Council was inclined, they could change how they were currently doing things and back-up Public Works and Utilities if that was what Council wanted to do.

Councilmember Wagner asked what the Capital Review Committee was and if there were any Councilmembers associated with it. He asked where they found a meeting notice. Ms. Wharton said the Capital Projects Review Committee was an internal meeting for staff to talk about projects and

ensure funding was there. It was just an internal meeting that they had, and those contracts went to Ways and Means on the agenda. Councilmember Wagner asked if that's what kept it from getting to them quicker. Ms. Wharton said that during the summertime sometimes it was hard with the way the meetings were scheduled, but they would work it all out. Councilmember Wagner said if something went wrong, they could not wait 30 days. Ms. Wharton said they could have special meetings if they needed to.

Councilmember Shahid asked if the contract end date was July 15, 2019, what the effect was if they did not approve the amendment. Mayor Tecklenburg said there were some rain dates, and Davis & Floyd had not used up all of their money for their CEI, and they probably would not run out until late August or September. He said it would be fine for them to approve the extension in July. Councilmember Shahid said he wanted to make sure he was clear on that because he had heard from someone they were about to run out of time and that they would not get into any legal hot water if they did not vote on it tonight. Mr. Fountain said it was not a contractual end date. That was the original contractual end date for the construction contract, but the professional services were providing services to the end date of the construction contract which had been extended due to the additional contract days from claims and weather days. He said the Davis & Floyd work could continue until the funds ran out, rather than a specific date within the contract.

Chairman White said if it was the desire of the Committee, they would need a motion to defer and send it to Public Works and Utilities. Councilmember Griffin made a motion to defer Items #9 and #10 on the agenda and send them to the next Public Works and Utilities Committee meeting. Councilmember Gregorie seconded. Councilmember Seekings said he wanted to make sure if they were doing this that it would get through committee, get through Ways and Means, and to City Council, so they could get these off their plate and get Davis & Floyd back in line if that was what was going to happen. He said they could not leave it out there floating. It was not fair to Council or to them. He agreed it should go through Councilmember Waring's committee, but he wanted them to set-up a framework, so they got it back to them in July. Chairman White said he agreed 100 percent with Councilmember Waring that was what needed to happen. He read the memo Mr. Fountain provided them, and the challenge they had was a pattern of wrongdoing over time that had allowed for contractors, in this instance Davis & Floyd, to have some comfort that if they were to do work based on a staff member saying 'yes, we'll take care of you and get you paid,' that that had been the norm. He said that was wrong, and by contract, that was wrong. Davis & Floyd knew that and so did Council. They did not find out about these other issues that were brought to their attention by Mr. Fountain, but they found out only when it came to this Committee and they started asking additional questions because they found they had a \$40 million shortfall on a project that was the largest drainage project that they had ever undertaken in the City of Charleston. That was only because the Committee on Ways and Means asked what was going on. He said they probably should have done this years ago, but they didn't, so now they had a massive void in finance to be able to take care of this, and they were \$100 million into a project they could not stop. They had to keep moving forward. In his mind, his fear was that they had a problem across other issues and other projects that they may or may not know about because some of the enhancements that were talked about he could not recall them coming before Council. He said they had folks within their departments that were making decisions that stepped outside of the bounds of the contract and the authority they had, and that was a problem. It was incumbent upon the committee that moving forward they were watching everything a little more tightly, so they did not have this occur again. If they were lucky enough to find \$400 million to complete the

Calhoun/West project, he did not want to think what that shortfall would look like if they did not get that right.

On a motion of Councilmember Griffin, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to defer Items #9 and #10 on the agenda and send them to the next Committee on Public Works and Utilities meeting.

11. PARKS-CAPITAL PROJECTS: APPROVAL OF LONGBOROUGH DOCK PROFESSIONAL SERVICES CONTRACT WITH JOHNSON, MIRMIRAN AND THOMPSON FOR ENGINEERING FOR PERMITTING AND CONSTRUCTION DOCUMENTS AS PART OF THE LONGBOROUGH DOCK PROJECT. APPROVAL OF THE PROFESSIONAL SERVICES CONTRACT WILL OBLIGATE \$44,300 OF THE ESTIMATED \$700,000 PROJECT BUDGET. THE FUNDING FOR THIS PROJECT IS 2017 GENERAL FUND RESERVES.

Councilmember Seekings said they were in the post-litigation phase and asked if all of the agreements were in place. Councilmember Gregorie said they would be reporting on that at the Council meeting as it was discussed at the Recreation Committee meeting. Councilmember Seekings asked if what they were doing with this item was consistent with all of the agreements that were in place. Councilmember Gregorie confirmed.

On a motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of Longborough Dock Professional Services Contract with Johnson, Mirmiran and Thompson for engineering for permitting and construction documents as part of the Longborough Dock Project.

12. BUDGET FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE TO AMEND THE CODE OF THE CITY OF CHARLESTON, SOUTH CAROLINA, CHAPTER 2, ADMINISTRATION, ARTICLE VIII, FINANCE AND FISCAL PROCEDURES, TO ADD A NEW SECTION 2-274 TO ESTABLISH A PROCESS FOR WAIVER OF PERMITTING FEES ASSOCIATED WITH CITY-OWNED PROJECTS.

Chairman White said the language almost made it look like it did not have to be a wholly City-sponsored project and that it could be something that was sponsored by other parties involved. He did not want to find another \$40,000,000 hole somewhere because they did not have the guard rails tight enough. Stirling Halversen said the intent was for it to cover any City-owned projects, ones the City was paying for completely or substantially. They did not want to include partial funding because that may get into other projects where they might be helping out with a grant, and they were trying to waive the fees for something the City was minimally involved in which is why they changed the language to "substantially." They wanted to be able to cover situations where they were getting partial grant funding from other sources, for instance, if FEMA was paying 75% of a project, and the City was only paying 25%, but wanted to make sure it was a City-controlled/City-owned type of project. She knew reading the word "substantially" might be confusing and subject to some interpretation, and that referred back to the CFO having the final say in what projects did get the waiver or not. It would require a letter from the City's CFO to say that particular project had the fees waived.

Councilmember Waring asked about the Family Circle Tennis Center and if the expansion to the stadium would fall under this because it was a City-owned property. Ms. Halversen said if it was a City-

leased project, it depended on if the City was in control of the actual project that was being done. It wasn't really triggered by the fact that it was a City-owned property. It was more whether or not the project was funded by the City or not. She did not know what the particular details of that project were going to be, but the CFO would be able to review each item as it came through and determine whether or not it would be considered a City project. It would have to be something that involved mostly City funds. If it was a private developer funding most of it, then that would not be considered part of what it was geared for. Chairman White said that project was being funded completely privately. Ms. Halversen said if it was being funded 100% privately, it would not be eligible for the waiver. Ms. Herdina said they would be funding up to \$9,000,000 and be in charge of the construction and renovation, so it would not be applicable to the fee waiver. Ms. Halversen said the intent was really just to help the City's staff to not have to move funds around the City because the City was managing the projects themselves.

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to recommend giving the first reading to the following bill:

An ordinance to amend the Code of the City of Charleston, South Carolina, Chapter 2, Administration, Article VIII, Finance and Fiscal Procedures, to add a new Section 2-274 to establish a process for waiver of permitting fees associated with City-owned projects.

13. REQUEST AUTHORIZATION FOR THE MAYOR TO EXECUTE A TREE PROTECTION AGREEMENT WITH DOMINION ENERGY SOUTH CAROLINA, INC., FORMERLY KNOWN AS SOUTH CAROLINA ELECTRIC & GAS COMPANY (THE "COMPANY"), GOVERNING THE PROTECTION AND PRUNING OF TREES ON PRIVATE PROPERTY, WITHIN CITY RIGHTS-OF-WAY, AND ON CITY-OWNED PROPERTY BY THE COMPANY. (TO BE CONSIDERED BY THE COMMITTEE ON PUBLIC WORKS AND UTILITIES) (TO BE SENT UNDER SEPARATE COVER BY THE LEGAL DEPARTMENT)

Councilmember Shahid said they wanted to make a small amendment to include that the City Councilmember be a member of Public Works and Utilities. Councilmember Moody said he wanted to make sure the only change was that the Councilmember was a Public Works member, rather than a member of Council, and Councilmember Shahid confirmed.

On a motion of Councilmember Griffin, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to authorize the Mayor to execute a tree protection agreement with Dominion Energy South Carolina, Inc., formerly known as South Carolina Electric & Gas Company (the "Company"), governing the protection and pruning of trees on private property, within City rights-of-way, and on City-owned property by the Company, as amended.

14. LEGAL DEPARTMENT: APPROVAL OF RIVERLAND TERRACE ENGINEERING STUDY AGREEMENT WITH DOMINION ENERGY

On a motion of Councilmember Griffin, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve of the Riverland Terrace Engineering Study Agreement with Dominion Energy.

15. PARKS-CAPITAL PROJECTS: APPROVAL OF A CONSTRUCTION CONTRACT WITH HILL CONSTRUCTION SERVICES IN THE AMOUNT OF \$8,958,507 FOR THE CONSTRUCTION OF THE

DANIEL ISLAND RECREATION CENTER. WITH THE APPROVAL OF THE PROJECT BUDGET, STAFF IS AUTHORIZED TO AWARD AND/OR AMEND CONTRACTS LESS THAN \$40,000 TO THE EXTENT CONTINGENCY FUNDS EXIST IN THE COUNCIL APPROVED BUDGET. APPROVAL OF THIS WILL INSTITUTE A \$10,813,883.85 PROJECT BUDGET, OF WHICH THE \$8,958,507 CONSTRUCTION CONTRACT WILL BE FUNDED. THE FUNDING SOURCES FOR THIS PROJECT ARE: LAND SALES (\$948,000), S.C. SPORTS DEVELOPMENT FUNDING GRANT (\$52,125) AND THE 2018 GENERAL OBLIGATION BOND (\$9,813,718.85). (TO BE SENT UNDER SEPARATE COVER BY BUDGET FINANCE AND REVENUE COLLECTIONS)

Chairman White thanked everyone involved with the project as it had been a work in progress for 12 of his years on Council, and he assured everyone it would not have happened without their support and the support of Mayor and staff. He was confident the residents of Daniel Island appreciated all of their help and support, as well.

On a motion of Councilmember Waring, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve of a Construction Contract with Hill Construction Services in the amount of \$8,958,507 for the construction of the Daniel Island Recreation Center.

16. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD ON JUNE 17, 2019 AT 3:00 P.M., CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Approval to authorize the Mayor to execute, on behalf of the City, a Transfer Agreement conveying 105 Hanover Street to Charleston County Human Services Commission d/b/a Palmetto Community Action Partners for \$68,090.95 for the development of affordable rental housing subject to the City's HOME Investment Partnerships Program guidelines. (105 Hanover Street; TMS: 459-05-01-077) [Ordinance] **[DEFERRED]**
- b. Approval of a Management Agreement in the amount of \$225,000 between the City of Charleston and Charleston Digital Corridor Foundation, at property designated as 22 West Edge to manage and operate City's leased 8,000 sq. ft. office space for development of tech business, research investments, and jobs in the City. The property is owned by 22 West Edge Owner, LLC.
- c. Request approval of the Third Amendment to Commercial Lease Agreement to extend the lease term for the James Island CPD substation for an additional five-year period with a two year option. The property is owned by Ann H. O'Brien as Trustee of Trust B u/w Paul H. O'Brien (102 Wappoo Creek Drive, Unit B-5)
- d. Request approval of a Facility Use Agreement whereby the City allows the Charleston Area Regional Transit Authority (CARTA) to utilize 43 Sumar Street for the purpose of conducting bus driver training and testing. (TMS: 352-08-00-006; 43 Sumar Street) **[DENIED]**
- e. Request authorization for the Mayor to execute a memorandum of agreement ("MOA") between the City and Leucadia Coast Properties LLC ("LCP") and all necessary documents associated with the relocation of an existing 48" corrugated metal pipe ("CMP") draining the 30-acre Queen Street basin, currently located along the boundary of the City's property known as Riley Waterfront Park (Charleston County TMS No. 458-09-04-051)

(the "City Property") and LCP's adjacent property (Charleston County TMS No. 459-00-00-276) (the "LCP Property"); the abandonment of the existing drainage easement on the LCP Property; and the construction of a new system consisting of two (2) 48" Pipes and check valves with outfalls into the Cooper River within a new easement area located on the City Property, with the City to reimburse LCP for a portion of the improvement expenses. **(To be sent under separate cover by the Legal Department) [DEFERRED]**

- f. Discussion and request approval of acquisition of Washington Park HOA property (Forest Acres Phase II)
- g. Consider the following annexations:
 - (i) 1732 Elm Road (TMS# 355-11-00-120) 0.49 acre, West Ashley (District 10). The property is owned by Carol L. Jackson-Powell.
 - (ii) 1617 Jessamine Road (TMS# 351-12-00-081) 0.14 acre, West Ashley (District 9). The property is owned by Albert Peter Shahid, III & Sarah Assemany Shahid.

Councilmember Moody, Chair of the Real Estate Committee, reported that Item 'a' was deferred, and Item 'e' was deferred. Those two items were not ready. Item 'b' was the 22 West Edge Agreement and was approved. Item 'c' was the Police Department's lease for the James Island substation and was approved. Item 'd,' CARTA's use of the Sumar Street property, was not approved and voted down, so the recommendation of the Committee was to not approve that item. Item 'f' related to Washington Park, and they asked Legal staff to bring back a written contract that included the numbers they talked about. They did not vote on a number, but they told them to bring back a contract for the amount they discussed. The two annexations were approved. Councilmember Shahid said he would need to recuse himself from Item g (ii). Councilmember Lewis said he wanted the record to reflect that he was supporting a project in West Edge because the project was really a benefit to the City.

Chairman White said that he voted against Item 'b' in the Real Estate Committee, and he wanted to say for the record that his not approving the item had nothing to do with the Digital Corridor and their work and nothing to do with Matt Frohlich and the work he had done. They had put a lot of work into trying to find a bail-out for what he thought was a poor decision process that happened a number of years ago. He hoped he would have had the opportunity to limit the City's exposure, but unfortunately it looked like the City's exposure would grow to almost \$2,000,000 of tax payers' dollars, and it gave him great pause.

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted to approve the Committee on Real Estate Report as presented and recommended giving first reading to the following bills:

An ordinance to provide for the annexation of property known as 1732 Elm Road (0.49 acre) (TMS# 355-11-00-120), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 10. The property is owned by Carol L. Jackson-Powell.

An ordinance to provide for the annexation of property known as 1617 Jessamine Road (0.14 acre) (TMS# 351-12-00-081), West Ashley, Charleston County, to the City of

Charleston, shown within the area annexed upon a map attached hereto and make it part of District 9. The property is owned by Albert Peter Shahid, III & Sarah Assemany Shahid.

The vote was not unanimous. Chairman White voted nay on Item 'b' of the report. Councilmember Shahid abstained from voting on Item g(ii) of the report and completed a Conflict of Interest form which is on file in the Office of the Clerk of Council.

There being no further business presented, the Committee on Ways and Means adjourned at 5:39 p.m.

Jennifer Cook

Assistant Clerk of Council