

COMMITTEE ON WAYS AND MEANS

September 24, 2019

A meeting of the Committee on Ways and Means was held this date beginning at 4:57 p.m.

PRESENT (13)

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring - <i>absent</i>	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Lewis – <i>arrived at 4:59 p.m.</i>	District 3	Councilmember Shahid – <i>arrived at 4:58 p.m.</i>	District 9
Councilmember Mitchell - <i>absent</i>	District 4	Councilmember Griffin	District 10
Councilmember Wagner	District 5	Councilmember Moody – <i>arrived at 4:58 p.m.</i>	District 11
Councilmember Gregorie	District 6	Councilmember Jackson	District 12

1. INVOCATION:

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

2. APPROVAL OF MINUTES:

On a motion of Councilmember Griffin, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve the minutes of the August 20, 2019 and September 10, 2019 Ways and Means meetings as presented.

Councilmember Shahid and Moody arrived at 4:58 p.m.

3. BIDS AND PURCHASES

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

POLICE DEPARTMENT: ACCOUNT:062019-58010 APPROPRIATION: \$40,395

Approval to purchase a 2020 Ford F-250 Crew Cab, ¾ ton pickup truck from Vic Bailey Ford, 501 E. Daniel Morgan Ave., Spartanburg, SC 29302; SC Contract #4400019971; 2019 Lease Purchase Funds.

4. POLICE AND FIRE DEPARTMENTS: APPROVAL TO ACCEPT THE 2019 PORT SECURITY GRANT AWARD IN THE AMOUNT OF \$324,435 FOR EQUIPMENT WITH A CASH MATCH OF \$108,145 FOR 2020.

On a motion of Councilmember Griffin, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve to accept the 2019 Port Security Grant award in the amount of \$324,435 for equipment with a cash match of \$108,145 for 2020.

5. PARKS-CAPITAL PROJECTS: APPROVAL OF THE INTERNATIONAL AFRICAN AMERICAN MUSEUM PROFESSIONAL SERVICES CONTRACT WITH S&ME IN THE AMOUNT OF \$62,060 FOR PRE-CONSTRUCTION CONDITION SURVEYS, VIBRATION RECORDING, AND PILE INSTALLATION TESTING AND OBSERVATION SERVICES. APPROVAL OF THE PROFESSIONAL SERVICES CONTRACT WILL OBLIGATE \$62,060 OF THE \$92.7 MILLION BUDGET. THE FUNDING SOURCES FOR THIS PROJECT ARE CITY OF CHARLESTON ACCOMMODATIONS TAX REVENUE BOND (\$13,200,000), CHARLESTON COUNTY ACCOMMODATIONS TAX (\$12,500,000), STATE APPROPRIATIONS (\$14,000,000), IAAM CONTRIBUTIONS (\$53,000,000).

On a motion of Councilmember Griffin, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve of the International African American Museum Professional Services Contract with S&ME in the amount of \$62,060 for pre-construction condition surveys, vibration recording, and pile installation testing and observation services.

6. PARKS-CAPITAL PROJECTS: APPROVAL OF CFD SAVANNAH HIGHWAY FIRE STATION #11 PROFESSIONAL SERVICES CONTRACT FEE AMENDMENT #2 WITH LIOLLIO ARCHITECTURE, INC. IN THE AMOUNT OF \$61,410 FOR THE EXTENSION OF CONSTRUCTION ADMINISTRATION SERVICES BEYOND THEIR ORIGINAL CONTRACT OF 365 CALENDAR DAYS. THE ADDITIONAL DAYS COVER ADDITIONAL DAYS FOR THE SUBSTANTIAL COMPLETION IN THE GENERAL CONTRACTOR'S CONTRACT, AWARDED CHANGE ORDERS, AND ANTICIPATED FUTURE CHANGE ORDERS AND DELAYS. THIS FEE AMENDMENT APPROVES AN ADDITIONAL 268 DAYS TO THE CONTRACT. THE APPROVAL OF FEE AMENDMENT #2 WILL INCREASE THE PROFESSIONAL SERVICES CONTRACT BY \$61,410 (FROM \$623,715 TO \$685,125). THE FUNDING SOURCES FOR THIS PROJECT ARE: 2015 INSTALLMENT PURCHASE REVENUE BOND (\$8,369,524), PROCEEDS FROM SALE OF REAL ESTATE (\$1,135,607) AND HOSPITALITY FUND (\$380,000).

On a motion of Councilmember Griffin, seconded by Councilwoman Jackson, the Committee on Ways and Means voted to approve of CFD Savannah Highway Fire Station #11 Professional Services Contract Fee Amendment #2 with Liollio Architecture, Inc. in the amount of \$61,410 for the extension of construction administration services beyond their original contract of 365 calendar days.

The vote was not unanimous. Chairman White abstained from voting on this item and completed a Conflict of Interest Form which is on file in the Office of the Clerk of Council.

Councilmember Lewis arrived at 4:59 p.m.

7. HOUSING AND COMMUNITY DEVELOPMENT: MAYOR AND CITY COUNCIL APPROVAL IS REQUESTED TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF CHARLESTON AND THE CHARLESTON REDEVELOPMENT CORPORATION FOR THE USE OF \$3,000,000 TO ACQUIRE SEA ISLAND APARTMENTS FROM HUMANITIES FOUNDATION (HF). THE \$3,000,000 WOULD BE AWARDED BY GRANTING THE CRC \$2,000,000 AND LENDING THE BALANCE OF \$1,000,000 BASED ON THE TERMS OUTLINED IN THE AGREEMENTS ATTACHED. THE FUNDING WOULD BE RELEASED CONTINGENT UPON A COMMERCIAL APPRAISAL VALIDATING THE VALUE OF THE PROPERTY AND A PHYSICAL INSPECTION OF THE UNITS BY AN INDEPENDENT AGENT.

THE APARTMENTS CONSIST OF 48 UNITS OF RENTAL HOUSING FOR PERSONS EARNING 50% AND BELOW THE AREA MEDIAN INCOME. SEA ISLAND IS LOCATED AT 3672 MAYBANK HIGHWAY, JOHNS ISLAND, SC. CURRENTLY OWNED BY HF, THE AFFORDABILITY RESTRICTIONS EXPIRE AT THE END OF 2019 AND THE PURCHASE OF THE APARTMENT COMPLEX WILL ENSURE THE PROPERTIES REMAIN AFFORDABLE FOR PERPETUITY.

On a motion of Councilmember Gregorie, seconded by Councilmember Griffin, the Committee on Ways and Means voted to approve an Agreement between the City of Charleston and the Charleston Redevelopment Corporation for the use of \$3,000,000 to acquire Sea Island Apartments from Humanities Foundation (HF).

The vote was not unanimous. Councilwoman Jackson abstained from voting on this item and completed a Conflict of Interest Form which is on file in the Office of the Clerk of Council.

Mayor Tecklenburg said he wanted to commend Geona Shaw Johnson, Director of Housing and Community Development, and the Housing and Community Development Department for putting the deal together to purchase affordable housing units on Johns Island which would keep their affordability for years to come. He also commended the Humanities Foundation for agreeing to a very favorable sale to the City. They wanted to work with the City to keep the housing affordable.

8. THE AUDIT COMMITTEE: (MEETING WAS HELD ON SEPTEMBER 24, 2019 AT 4:00 P.M., CITY HALL, COUNCIL CHAMBER)

- External Auditor's Report (Information Only)
- Internal Auditor's Report
- Discussion regarding Internal Auditor reporting structure *(The Committee recommended that if the Internal Auditor believed he or she was not in a position to complete their duties as a result of having to audit the Mayor or Executive Department, the matter would be sent to the Audit Committee to hire and approve the scope of audit for an external auditor.)*

Councilmember Seekings, Chair of the Audit Committee, reported the Committee met earlier in the day. They heard from their External Auditor, and their report was that they were doing well, but had challenges in the future. He commended the City's Budget Finance and Revenue Collections Department who had worked tirelessly to ensure that taxpayers' money was spent wisely. They also heard from their Internal Auditor, and the Internal Auditor's Report was accepted unanimously by the Committee which would need to be accepted by the Committee on Ways and Means. They also had a discussion on the Internal Auditor's reporting structure, and the recommendations from the Audit Committee was that at any point if the Internal Auditor believed that he or she was in a position where they could not complete his or her duties as a result of having to audit the Mayor or the Executive Department, the trigger would be to send that issue to the Audit Committee for the hiring and approval of a scope of audit for an external auditor. That was also approved unanimously.

On a motion of Councilmember Seekings, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve the Audit Committee report as presented.

9. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD ON SEPTEMBER 24, 2019 AT 3:30 P.M., CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Request approval of an easement agreement under which the City will grant an easement for the right to construct, extend, replace, perpetually maintain and operate an underground electric line or lines to Dominion Energy for the Daniel Island Recreation Center at Governor's Park. (Fairbanks Drive and Fairbanks Oak Alley; TMS: 271-00-00-006)
- b. Consider the following annexations:
 - (i) 2988 Bolton Road (TMS# 307-10-00-037) 0.5 acre, West Ashley (District 5). The property is owned by Sandra Lynn Mixson.
 - (ii) 3894 Savannah Highway and 711 & 715 Hughes Road (TMS#287-00-00-139; and 287-00-00-140, 142, 178) 28.85 acres, West Ashley (District 5). The property is owned by Colson Jean R Saltwater Breeze LLC. (*DEFERRED*)
 - (iii) 333 and 335 Wappoo Road (TMS# 350-10-00-144) 0.46 acre, West Ashley (District 5). The property is owned by Robert J. Suli.

Councilmember Moody, Chair of the Real Estate Committee, reported that Item 'a' was approved by the Committee. Annexations b (i) and b (iii) were approved, but Item b (ii) was deferred. Councilmember Moody made a motion to accept the items that were approved by the Committee and to accept the deferral.

Councilmember Shahid seconded the motion.

Councilmember Shealy asked why annexation b (ii) was deferred. Councilmember Moody said the Committee discussed the PUD, and they wanted to get more information before they recommended first reading of the bill. They were hopeful they would receive that information soon.

On a motion of Councilmember Moody, seconded by Councilmember Shahid, 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 2988 Bolton Road (0.5 acre) (TMS# 307-10-00-037), 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 5. The property is owned by Sandra Lynn Mixson.

An ordinance to provide for the annexation of property known as 333 & 335 Wappoo Road (0.46 acre) (TMS# 350-10-00-144), 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 5. The property is owned by Robert J. Suli.

Item b (ii) of the Committee on Real Estate Report was deferred.

There being no further business presented, the Committee on Ways and Means adjourned at 5:03 p.m.

Jennifer Cook
Assistant Clerk of Council