



**SURFSIDE BEACH TOWN COUNCIL
SPECIAL COUNCIL MEETING MINUTES
JANUARY 29, 2013 ♦ 6:00 P.M.
TOWN COUNCIL CHAMBERS**

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1. **CALL TO ORDER.**

Mayor Samples called the meeting to order at 6:00 p.m. Mayor Samples, Mayor Pro Tempore Mabry, and Councilmembers Dodge, Kohlmann, Johnson, Smith and Stevens were in attendance. A quorum was present. Others present: Mr. Bill Bigham, owner of Beach Services, Ltd.; Administrator Fellner; Recreation Supervisor Ellis, and Town Clerk Herrmann.

2. **PUBLIC COMMENTS – AGENDA ITEMS**

"My name is Everett Goff. Mr. Mayor, Councilmembers, residents, my name is Everett Goff, 209 Millwood Drive. I would just like to make a slight analogy here between the beach services. When I retired, I was a security director of a large suburban mall, and obviously, when a merchant would come in, they would rent a space in the mall, and they would pay per square foot, and then when they reached a certain amount of profit in the business, they would even pay a percentage of their profit to the mall. So I think in this case, we ought to get some type of money, whether it be a percentage or rental of space. It's all I have. Thank you."

"Ron Saunders. 313 6th Avenue South. I, I see here that you've already decided to hold this meeting in executive session, and while there may be parts of the discussion that needs to be in executive session, I would argue that most of it is not. Most of it should be public knowledge. Names [sic] like for the past nine years we waived a franchise fee somewhere in the amount of \$14,000 a year. So this town has given up a \$120 [sic] or \$30,000 for nothing. There's got to be a reason for that, and I think we deserve to know why. I don't think it can all be found out in that room back there and us never know. Thank you."

3. **BUSINESS.**

A. Beach Services, Ltd. Franchise Agreement (Deferred until after Executive Session.)

Mayor Samples said this item would be discussed after executive session.

B. Resolution #13-130, Beach Services, Ltd. Financial Disclosure to Town Council.

Ms. Fellner presented the resolution explaining that the information about to be discussed is protected under law, and includes personal finances for Beach Services, Ltd. whom is a franchisee and as such has certain privileges under the law. Adopting the resolution will provide council's agreement of confidentiality about the financial information discussed.

Mayor Samples asked if the town attorney had been consulted on this matter. Ms. Fellner said she had, and the attorney provided a letter that would be shared. Mayor Samples said that the business Mr. Bigham operates is much larger than just the portion conducted in Surfside Beach. The resolution was to insure that should said financial information be spread amongst the public and damage his business, the resolution protects the administrator, because she has done due diligence, and has advised the council. Town Council and the administrator will discuss the information prior to inviting Mr. Bigham to join the executive session.

Mr. Smith moved to approve Resolution #13-130. Mr. Stevens seconded.

54 Mr. Johnson asked Ms. Fellner if the financial information that was to be discussed was public
55 information as far as business licenses. Ms. Fellner said it was absolutely not public information. It is
56 protected under the law,

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58 All voted in favor. **MOTION CARRIED.**

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60 **C. Town Merchandise Bid.**

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62 Ms. Fellner said Town Council was provided with a list of expenditures and revenues. The
63 subject merchandise is not uniform related; it is for events and town merchandise sold on the website.
64 Staff was asked to let bids. For the past three years the cost was actually under \$5,000 per year. When
65 bids were let for the smoke-free t-shirts purchased by the grant, the town received a much better price.
66 The smoke-free t-shirts were also used for the July 4th event. This is the first time bids were let for these
67 products. There are six vendors on the bid list who are local and there are enterprises that were used the
68 last two times. Not much money is made on these products. The total revenue once inventory is sold will
69 be \$2,769.45.

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71 Mr. Smith said the "Total Revenue" line states \$13,000, and asked what the difference is. Ms.
72 Fellner said there is inventory on hand that was already paid for, but has not yet been sold. Mr. Smith
73 said the inventory value is shown at \$4,000. Ms. Fellner said adding total revenue and the inventory on
74 hand and deducting expenditures equals \$2,769.45. Once all inventory is sold, that is the amount on
75 hand. Mr. Smith said that is the profit. Ms. Fellner said yes. Mr. Smith said if that is profit, then the
76 description of total revenue is not really exact. He believed the terminology was confusing and asked her
77 to change it to "total profit." Ms. Fellner said it would be changed.

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79 Ms. Kohlmann said it was listed under the 2009/10 column and asked if that was correct. Ms.
80 Fellner said those are fiscal years; the numbers at the bottom are separate. Ms. Kohlmann said the way
81 the chart was made up, she thought it was carry through.

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83 Mr. Stevens asked what year the figures at the bottom were for. Ms. Fellner said for the past
84 three years as of today. Mr. Stevens said as of today if the inventory on hand is sold, that is the inventory
85 bought over the last three years, then there would be a profit on that inventory of \$2,769.45. Ms. Fellner
86 said theoretically correct. In reality, often what happens is there are July 4th t-shirts or other events with
87 dates or other specific printing, then towards the end of the event, those particular items are sold at a
88 greatly reduced price. The profit is built in so the town does not lose money; the goal is to break even.
89 Most of the remaining inventory is not printed with any specifics or dates, and a small profit should be
90 realized. Ms. Ellis was asked to determine how many shirts had to be sold on July 4th to cover costs, and
91 once that number was reached, the shirts were discounted and sold very quickly. That process is
92 typically used for all events.

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94 Ms. Kohlmann said in reference to dated material, the 50th anniversary is approaching, and asked
95 over the last three years of sale if records were kept about overages for dated materials. Ms. Fellner said
96 Ms. Ellis had very good records. Ms. Kohlmann said she was sure she did; she just wanted to make sure
97 that a reasonable quantity was purchased.

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99 Ms. Ellis said event shirts are the only items that have a date, i.e. July 4th, the Barbeque Festival,
100 and the car show. Inventory on hand is only town merchandise that states "Town of Surfside Beach."

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102 Mayor Samples asked if the bid was for a 3-year procurement. Ms. Fellner said it was for 3-
103 years, because there is not a lot of money involved, and prices for these type products do not change
104 very quickly. The cost charged this year will be very close to the price for next year. Most municipalities
105 contract on a 3-year bid. Mayor Samples said the bid is advertised and encouraged everyone to let their
106 friends or vendors that might be interested know about it. He said it was on the town website and asked
107 where else it was advertised. Ms. Fellner said it is not on the website, because Town Council needs to
108 approve the bid letting. She would publish the bid in the morning, if Town Council approves.

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Town Council **CONCURRED** to let the bid for town merchandise.

4. EXECUTIVE SESSION

Pursuant to FOIA §30-4-70(a)(2) to discuss Beach Services, Ltd. Franchise Agreement.

Mr. Smith moved to enter executive session at 6:19 p.m. Ms. Dodge seconded. All voted in favor. **MOTION CARRIED.**

Mr. Smith moved to reconvene regular session at 7:45 p.m. Mr. Johnson seconded. All voted in favor. **MOTION CARRIED.**

Mayor Samples said that no action was taken during executive session.

Mr. Smith moved to authorize the town administrator to draft a franchise agreement with Beach Services, Ltd. and bring it back to the council meeting on February 5th. Ms. Mabry seconded.

Mayor Samples asked for clarification, if that would be for first reading. Mr. Smith said yes.

All voted in favor. **MOTION CARRIED.**

5. ADJOURNMENT.

Mr. Smith moved to adjourn the meeting at 7:46 p.m. Ms. Mabry seconded. All voted in favor. **MOTION CARRIED.**

Respectfully submitted,


Debra E. Herrmann, CMC, Town Clerk

Approved: February 26, 2013

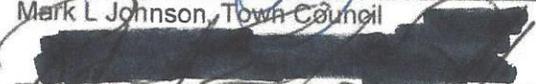

Douglas F. Samples, Mayor


Mary M. Mabry, Mayor Pro Tempore


Ann Dodge, Town Council


Mark L Johnson, Town Council


Elizabeth A. Kohlmann, Town Council


Roderick E. Smith, Town Council


Randle M. Stevens, Town Council

Clerk's Note: This document constitutes minutes of the meeting, which was audio taped. This meeting was transcribed by Town Clerk Herrmann. In accordance with FOIA, meeting notice and the agenda were distributed to local media and interested parties. The agenda was posted on bulletin boards outside Council Chambers and in the Town Hall reception area. Meeting notice was also posted on the Town marquee. When (**) is used in quotes, a section of the transcription is inaudible.