



**SURFSIDE BEACH TOWN COUNCIL MEETING MINUTES
REGULAR MEETING MONDAY, NOVEMBER 7, 2016 ♦ 6:30 P.M.
(Special Meeting Day: Tuesday, November 8 is Election Day)
TOWN COUNCIL CHAMBERS**

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1. CALL TO ORDER. Mayor Childs called the regular meeting to order at 6:30 p.m. Mayor Childs, Mayor Pro Tempore Ott, and Councilmembers Courtney, Johnson, Samples, and Stevens were in attendance. Councilmember Pellegrino was absent. A quorum was present. Others present: Administrator Fellner, and Town Clerk Herrmann.

2. INVOCATION AND PLEDGE OF ALLEGIANCE.

A. Invocation: Reverend Kirk Lawton of Ocean Lakes Campground Ministry gave the invocation.

B. Pledge of Allegiance: Mayor Childs led the Pledge.

3. AGENDA APPROVAL. Mr. Stevens moved to adopt the agenda as presented. Mr. Ott second. All voted in favor. **MOTION CARRIED.**

4. MINUTES APPROVAL. Executive Session and Regular Meeting October 25, 2016. Mr. Stevens moved to adopt the October 25, 2016 executive session minutes and regular meeting minutes as presented. Mr. Ott second. All voted in favor. **MOTION CARRIED**

5. PUBLIC COMMENTS – Agenda Items Only. (3-minutes per speaker)

Ms. Holly Watson, North Oak Drive, said I would like to express my disappointment in not being given any answers to a couple of the questions that I had at the last meeting. One of them was why our payroll in sanitation was up 32-percent over the prior two months average. I read the answers to my questions in the administrator's report and it appears that I am kind of being admonished to look at not monthly figures, but year to date. My answer to that is if you don't catch them early, you won't be able to correct them like we did back here in the fishing revenue that was posted to the wrong year. I think it's wonderful that we can review these things every month and we can correct them as we go. My question was on long term liability. My problem with long term liabilities was that we don't understand that we even owned this swash until it appeared [sic.] That is still a problem, and I still don't have an answer as to what are our properties that we own, and why do we not have a forecast on what it's going to fix two 40 year old sea walls; that type of thing? As far as MONTCO and this swash, of course, Tim's Construction is going to be the contractor, and MONTCO who bid the project is going to be now a subcontractor underneath Tim's, who does have a license. Now, 3rd Avenue South swash was bid at \$79,995. But, when the 3rd Avenue South swash finally ended up finished, it cost us \$189,651, double the cost. So, [I] hope this one doesn't turn out the same way. You need to keep an eye on such as this. No explanation, no reason, don't know. Double the cost. Thank you. *(Applause)*

6. COMMUNICATIONS. Administrator's Report. Ms. Fellner presented the written report, a copy of which is attached hereto. Ms. Fellner noted that as of this meeting, the FEMA project specialist has not yet been assigned. Ms. Fellner said that the report stated there were no consensus items; however, she asked Town Council about holding a meeting when there was no business to be discussed. Meetings are specifically supposed to be about conducting the town's business and there is none on the agenda for this meeting. She wanted to know if going forward Town Council would concur to cancel a meeting that did not include business items, with the exception of the December meeting, because State Code requires that Town Council meet at least once every month.

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53 Mr. Ott said the community enjoys attending the meetings as much as the councilmembers do.
54 We like to hear everything that is going on in the town. If we need to have some items put on the
55 agenda, we could dig a little deeper and find some items pretty easily. I think I could do it.
56

57 Mr. Stevens agreed with Mr. Ott. There was no reason to cancel the meeting. We can find
58 something to talk about.
59

60 Ms. Samples agreed with Mr. Ott and Mr. Stevens. Yes, it is a business meeting, and we need to
61 keep it a business meeting. But there could be people in the public who have questions and concerns as
62 it relates to the business of the town. I think the meeting certainly gives them the opportunity to have
63 their say.
64

65 Mr. Johnson did not disagree. I think a lot of it has to do with scheduling calendar wise,
66 specifically in November. We normally do have only one council meeting in December. That is fine. I
67 think we should keep the regular schedule in November, if it warrants two meetings.
68

69 Mr. Courtney said I think it is important to have the department directors at meetings at least
70 once a month for accountability. I agree with the rest of council.
71

72 Request to cancel meetings, if there is no business on the agenda, was **DENIED**.
73

74 Mr. Ott thanked Ms. Fellner for the report and said I really appreciated it. I want to talk about
75 the 3rd Avenue Swash; reviewing past minutes he found that in May 2014 the 3rd Avenue swash was
76 being repaired. The same type contract modification occurred for that project, but the difference was
77 only \$5,000. There appeared to be an emergency expenditure for that stabilization and the engineer
78 asked for more money the same way he did this time. I hope that isn't a habit. If you would, please,
79 check that for me to see if I am seeing that right. Ms. Fellner asked if Mr. Ott was specifically in the
80 engineering cost or about the project cost. Mr. Ott the cost was in the May 27, 2014 minutes during her
81 report. Mr. Ott said I would like to talk about the long term liabilities that were just brought up. That
82 could be the fault of council, if it is not prioritizing correctly on the five year comprehensive plan. We
83 really haven't put our heads together. There are some new councilmembers and I believe we can work
84 together to start looking at that more severely to put strict priorities on some of these items. Going back
85 to Section B, the town clerk works at the pleasure of Town Council. It is council's fault if we believe she
86 doesn't have enough work, because we're supposed to ask her to give us information. We should be
87 constantly working to make this town better. Sometimes, I guess, we don't. I'm just learning how to do
88 that. I'm a slow starter. That is something that all councilmembers need to do. Pick an item of your
89 choice, and try to do an investigation. If we can't, that is what the town clerk is for. She can dig out
90 information for us. Thank you, again, for your report. It was very good, as usual.
91

92 Ms. Samples asked Ms. Fellner if there was a reason that the Comprehensive Annual Financial
93 Report (CAFR) is so late this year. It seems like it is late. Ms. Fellner said the auditors have not and will
94 not finish the report until probably the end of this month for delivery next month. The transmittal letter
95 has not been finalized, either. Ms. Samples asked if they are just behind, holding it up, or if there is still
96 more information they need. Ms. Fellner said there is still more information they need.
97

98 Mr. Stevens said the historical event was this past weekend. A citizen saw a man loading sweet
99 potatoes onto a flatbed truck at the Floral Clubhouse today. He asked if the sweet potatoes were paid
100 for by the town. Ms. Fellner said she would have to find out. Mr. Stevens said please let Town Council
101 and the people know the answer.
102

103 Mr. Johnson said regarding Charter Communications taking over the business class portion of
104 Time Warner whether that affected any of our police or fire department integration with Horry County.

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105 Ms. Fellner said it should not affect the integration. We will soon have to put in a new T-1 line to comply
106 with the SLED (South Carolina Law Enforcement Division) directive. If we do have to install that T-1 line
107 and make that go live, then we actually may realize some savings. But, it will not affect the county in
108 any way. We dispatch police calls ourselves. Mr. Johnson asked if there was a potential for expenditures
109 other than what we've already [seen]. Ms. Fellner said they were on State Contract now, because of this,
110 and I am told they are very competitive. I've looked at some of the pricing and it looks good. The only
111 possible expenditure we can have wouldn't be related to them. It would be involved in specifically
112 putting in an extra T-1 line solely for police use. Mr. Johnson asked Ms. Fellner if she could update Town
113 Council on this issue, please, when she found out. Ms. Fellner said yes.

114
115 Mr. Courtney asked Ms. Fellner to please make sure Town Council gets the total cost and
116 expenditures for the historical day event; police overtime, fire, event staff, etc., and whatever it took to
117 make the event happen. Ms. Fellner said Ms. Ellis is working on a report now and she anticipated
118 bringing it to the next meeting. Mr. Courtney said the report said "due to the fact that we are already
119 strapped," do we need to be cautious about spending? Is that what you are trying to say? Ms. Fellner
120 said I think we've been cautious the whole year. I had staff hold back on capital items. We only put two
121 capital items in the entire budget. We held back on our capital replacement plan; put it off for another
122 year. I think we've been very cautious up to this point. But, yes. Mr. Courtney said we are financially
123 strapped. Ms. Fellner said, well, for cash flow wise for this year. For instance, right now we were
124 supposed to get the money back from the state for a portion of beach renourishment. We have not seen
125 a penny of that money, yet. If we had received that money, then there would not be any concerns. But,
126 next month at the end of the month, property taxes will start rolling in. That should help alleviate that
127 problem. I do anticipate sometime, hopefully, in November at least the state will send back that portion
128 of the beach renourishment money that is owed to us. Mr. Courtney asked if a date or deadline was
129 given. Ms. Fellner said no, and Justin Powell has been hounded and he is hounding the state. Right now
130 the comments are they are reacting to all the hurricane problems, so everything is delayed. There is not
131 one week that goes by that I don't call the county about this, and that the county doesn't call the state.

132
133 Mr. Stevens said regarding future expenditures, a former mayor signed a document that made
134 the town responsible for the northern part of the 5th Avenue North swash. But, we are not responsible
135 for the southern part of that swash. A citizen called him and said the homeowners association had been
136 wanting the town to pay for the 3rd Avenue South swash, as well. My understanding is we are only
137 responsible for the north side of the 3rd Avenue South swash between Ocean Boulevard and the ocean.
138 Am I correct on that? Ms. Fellner said that is correct. I told the association that unless they could
139 provide a document that was not found during the title search, then bring it to town hall and show it to
140 me. We could not find any paperwork and the survey clearly indicates that the bulkhead is on their
141 property. Mr. Stevens said if we do get to work on the north side of the 3rd Avenue South swash, which
142 would be town property, I would like to make sure that the town gets bids on that. We've had the same
143 person do 3rd Avenue South swash between Dogwood and Yaupon and the boulevard. Next time we do
144 one of these bulkheads that we actually get bids from more than just one company. Ms. Fellner said yes,
145 sir. We would. The only reason this was an exception was because it was done under an emergency
146 procurement.

147
148 Mr. Courtney believed there was a problem with the process for bidding, is that correct? There's
149 a certain amount of days or weeks that we need to present a bid? Ms. Fellner said well, you have to
150 advertise it and then you have to put it up, and it has to be out there for a minimum of 30 days, and
151 then before you can do that, you have to write the bid. It is a process. Mr. Courtney asked if it was a
152 process under our ordinance, or is that common. Ms. Fellner said if it was not an emergency, you want
153 that process because that helps to vet everything, and you have more time to do that. There's more
154 competition. That's always a good thing. If it's an emergency, you really don't have that time. Mr.
155 Courtney was a little concerned, because the work that went out took about six weeks to actually get
156 processed and get started. Ms. Fellner said it would've taken a lot longer than that, especially in the
157 winter. We have some very big tides and I don't know if you've gone down and looked at the building

158 down there on that property. We took a lot of pictures before the project started because we didn't want
159 to be blamed afterward. There's foundation damage on that building that is prior to this happening. If
160 that took out six more feet, the town could potentially have a huge liability for undermining the
161 foundation of that property, specifically, which is a very big ticket item. That's the reason for going
162 ahead and moving forward under the emergency procurement. You only do it when it's an emergency.
163 That is a big building and would have a huge liability; I think council was wise to do move forward with
164 the emergency expenditure. Mr. Courtney asked about the building on the south side. He asked if they
165 were participating in the work being done with the same company. Ms. Fellner said they are not
166 participating. Mr. Courtney asked what we are doing about that if one wall is not up. Ms. Fellner said I
167 am not clear why they haven't engaged their insurance company. But, I've been told that they don't
168 intend to. They may intend to make it a legal issue. Mr. Courtney said from what I'm gathering is that
169 this wall on the south side of this project is going to sit there while the north side is going to be
170 corrected. Is that right? Ms. Fellner said at this point, yes, sir. Mr. Courtney said thank you.

171
172 **7. BUSINESS – There was no business to come before this meeting.**

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174 **8. TOWN COUNCIL DISCUSSION – Any matters of concern or information to be discussed.**

175
176 Mr. Stevens said this was previously brought up by Mr. Pellegrino. I wish he was here to
177 elaborate. The sign ordinance was sent to the business committee. The chairman was very disappointed
178 with the recommendations by the attorney and asked Ms. Morris to remove it from the planning
179 commission agenda. I would like to see a council workshop done on the sign ordinance. Just as we did
180 a workshop on the trees, we definitely need to do something on the sign ordinance. Obviously, the
181 business committee worked quite hard on that and tried to come up with recommendations. It seems
182 their work was swept to the wayside. I would love to see that come back up in a workshop. Mayor
183 Childs asked the clerk to arrange a workshop date after the first of the year that is convenient for Town
184 Council.

185
186 Mr. Ott said correct me, if I have my dates wrong, but I believe the town administrator has a
187 contract coming up shortly. Do we need to put that on the next meeting for executive session to discuss
188 that contract? I'm sure Ms. Fellner would like a contract. Ms. Fellner said she has not been getting a
189 new contract every year, but she would be happy to, if you want to add that. Mr. Ott said yes, I believe
190 we need to speak about that. Thank you. Mayor Childs said that would be on the next agenda in
191 executive session. Mr. Stevens asked if we could get a copy of the contract and go over the details.
192 Mayor Childs was sure that would be made available to all councilmembers. Mr. Ott said how he found
193 that was looking through past minutes. I had to remind Mr. Stevens that he made the motion for that,
194 so he must have seen it. It does exist. Thank you.

195
196 Mr. Courtney asked to see all the contracts. I'm a little worried about our finances. I'm just not
197 seeing where the money is. We have a budget workshop on the 18th, and I'd like to make sure I see all
198 the contracts, if possible, any open contracts, personnel contracts, construction or development, or
199 anything that council is not aware of, are made available to council, so we can see where we stand for
200 this year. Ms. Fellner said that council was aware of all contracts. Mr. Courtney said okay, thank you.

201
202 **9. PUBLIC COMMENTS – General Comments. (5-minutes per speaker)**

203
204 Mr. Tom Dodge, 15th Avenue North: I heard on television and I read in the newspaper that we
205 fired an employee from missing money. I've been at all council meetings. Haven't heard one word about
206 it. Is it true? I brought up other things that were in the newspaper, and council told me I was wrong.
207 So, maybe I'm wrong about this. But, if it is true, and we had no business items on the menu [sic]
208 tonight, maybe we should've had a business item on telling the public how much money the public is
209 missing. I don't think that's a personnel matter, if the girl's already fired. Sounds more like a suing the
210 town matter, if there's no money missing. But at the least you ought to tell us taxpayers how much

211 money is missing, if there's money missing, if the TV is wrong, if the newspaper's wrong. I don't know.
212 Thank you.

213
214 Mr. Stan Wrobel, 3rd Avenue South: We come to council meetings and listen to each of you
215 speak. We also read newspapers. Lately, we've been learning more about the town from newspapers
216 than we do here. We also hear about the word transparency when a lot of you speak. When is
217 transparency going to start? Thank you.

218
219 Ms. Holly Watson, North Oak Drive: I want to talk about our residents. In 2014, the median age
220 of our residents was 51 years old. So, I'm going to put myself as each one of these residents, so just put
221 your imagination caps on. Twenty-three percent are 65 and over, and they are on a fixed income.
222 Widows are 7.9 percent in 2013, the latest statistics. Ten and a half percent of our residents live in
223 poverty; that's 440 people as of 2013. Six point one percent of our residents are unemployed; that's 255
224 people. Now, in 2015 we had a reassessment by Horry County on our property taxes. Water increases 2
225 percent every year. That's Grand Strand Water and Sewer. Now, remember 23 percent are on a fixed
226 income. You've got 7.9 percent widows. Six point one percent are unemployed and 10.5 percent live in
227 poverty. Santee Cooper raised their electric rate 6.7 percent in 2016. Next year we are getting another
228 2.2 percent hit. Now, our town general expenses, excluding our capital projects and debt service, has
229 reached a critical stage, and I'm going to show you this. This is your Town of Surfside Beach changes in
230 fund balances of governmental funds for the last ten years, and it is on Table 5 of your 2015 report.
231 Your general expenses, excluding your capital outlay and debt service, in 2011 was \$5,254,373. It
232 escalated \$868,825 in 2012. It escalated \$1,317,748 in the year 2013. It escalated \$665,344 in 2014,
233 and escalated \$1,298,885 in 2015. That is \$4,150,802 over four years. That is an average of
234 \$1,037,700.50 per year for four years. I don't know where these people on these fixed incomes are
235 going to keep up with this escalation like this. But, to me this is absolutely inexcusable. Where did the
236 money go? We're throwing it away. It's not viable. It can't continue. We won't have a town. You've
237 got to put the brakes on it. Find out where it is going. We can't pay double the rate for a capital
238 improvement. We can't say we're going to spend this on it and turn around and pay double or triple or
239 whatever we feel like somebody needs to have. So, I'm asking you for these 7.9 percent widows, and
240 these 655 people that can't help themselves here that live here, the people that saved all their lives that
241 worked in the mill and they've got some little beach house that can't afford to live here anymore. Come
242 on, now. You're a new council. You can control this. Put the brakes on it. Challenge your department
243 directors to go down ten percent. Stop spending the money. We don't have it any longer. It's gone.
244 Okay? Thank you. *(Applause)*

245
246 **10. TOWN COUNCIL COMMENTS**

247
248 Ms. Samples: Thank you, Mr. Mayor. Thank you all for coming out. Remember to vote
249 tomorrow, and no matter what the outcome, we're going to pray for that person, and hope that all is
250 well. Thank you so much.

251
252 Mr. Stevens: Thank you, Mr. Mayor. I really like what Ms. Watson said just now. Put the brakes
253 on spending. I've been trying to figure out how to get them to do that for the last four years. I still
254 haven't been successful. But, maybe if we all put our heads together we can cut the spending. We
255 certainly need to do it, because we've got a runaway government just like we have a runaway federal
256 government. I want everybody to get out and vote tomorrow. I'm voting for the Constitution. I'm
257 voting for the Bill of Rights. I'm voting to make this country great again, and if you don't like who I'm
258 voting for, I'm sorry. But, that's the way I feel. Let's hope that we get the right person in there that
259 takes this country back to what it was. The great country it's always been. Let's hope that they cut
260 spending in Washington, DC, as well. We certainly are throwing a lot of money away there. Thank you
261 all for coming out.
262

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263 Mr. Ott: November 18th, 12 o'clock, we're all going to be here looking at what we're going to
264 budget for next year. Where are we going to find this money? What are we going to cut? What can we
265 add? How can we help ourselves? I hope everybody comes and helps us. I need everybody's input. I
266 need people to see things that I don't see. I don't feel real warm and fuzzy about the money and how
267 much money is here. But, I'd really like to put the brakes on the spending and try to get this town really
268 stable again. I need everybody's help. Yep, it's our way of life. Get out and vote tomorrow. I hope we
269 get the right candidate. Nobody knows who the right candidate is going to be. Thank you again for
270 coming tonight.

271
272 Mr. Courtney: Yes, Mr. Mayor, thank you. Thank everyone for coming out. I'm all about
273 transparency, and I want to really find out where we stand financially. We've had a lot happen to us
274 over this past year. We need to know where stand financially. So, please attend the budget workshop.
275 It will tell us where we're going in the future. Again, I believe that we're strapped for cash. I think that
276 we have to be very cautious with spending. This is going to be a tough budget coming up this year.
277 Thank you. Don't forget to vote. Thank you. Have a good day.

278
279 Mr. Johnson: Thank you, Mr. Mayor. I agree, we do have some spending issues. We always do.
280 Always will have. We have been hit many times with issues that we did not foresee, although at least
281 one councilmember up here said that we were going to get a storm and we need to prepare for it. Lo
282 and behold, little old Matthew came along and surprised a lot of people, including meteorologists on the
283 TV. We do have financial issues, like I said. We are going to face some financial difficulties until we get
284 state and federal funds, which will come down the pipe, hopefully. But, you never know. This is
285 something that we can just pray for and believe in the system. I know who the right candidate is, but I
286 will not disclose that as I'm just referring to a wonderful fellow councilmember. Thank you for coming
287 out. God bless you. God bless the USA. Go vote tomorrow starting at seven and ending at seven.
288 Thanks.

289
290 Mayor Childs: I hope everybody does attend our budget workshop. I try to encourage
291 everybody to come to these workshops and hear your input.

292
293 **11. ADJOURNMENT.** Mr. Johnson moved to adjourn the meeting at 7:21 p.m. Mr. Ott
294 and Mr. Stevens second. All voted in favor. **MOTION CARRIED.**

295
296 Prepared and submitted by,

297
298 Approved: November 22, 2016

299 _____
300 Debra E. Herrmann, CMC, Town Clerk

301 _____
302 Robert F. Childs, III, Mayor

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304 _____
305 Ron Ott, Mayor Pro Tempore

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307 Timothy T. Courtney, Town Council

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309 Mark L. Johnson, Town Council

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311 David L. Pellegrino, Town Council

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313 Julie M. Samples, Town Council

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315 Randle M. Stevens, Town Council

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317 Clerk's Note: This document constitutes summary minutes of the meeting that was digitally recorded, and not intended to be a complete transcript. Appointments to hear recordings may be made with the town clerk; a free copy of the audio will be given to you provided you bring a flash drive. In accordance with FOIA §30-4-80(A) and (E), meeting notice and the agenda were distributed to local media and interested parties via the town's email subscription list. The agenda was posted on the entry door at Town Council Chambers. Meeting notice was also posted on the town website at www.surfsidebeach.org and the marquee.