

**WAYS & MEANS COMMITTEE MEETING**  
**Kiawah Island Municipal Center**  
**Council Chambers**  
**May 27, 2014; 2:00 PM**

**MINUTES**

**I. Call to Order:** *Mr. Labriola called the meeting to order at 2:00 pm.*

**II. Pledge of Allegiance**

**III. FOIA:** Notice of this meeting has been published and posted in accordance with the Freedom of Information Act and the requirements of the Town of Kiawah Island.

**IV. Roll Call:**

**Present:**                   **John D. Labriola, Mayor Pro Tempore**  
                                  **Charles R. Lipuma, Mayor**  
                                  **Mary Q. Johnson**  
                                  **Lauren N. Patch**  
                                  **Richard E. Murphy**

**Also Present:**           **Tumiko Rucker, Town Administrator**  
                                  **Ken Gunnells, Town Treasurer**  
                                  **Petra Reynolds, Town Clerk**

**V. Approval of Minutes:**

A. Minutes of the Ways & Means Committee Budget Workshop of April 29, 2014

*Mayor Lipuma motioned to approve the minutes of the April 29, 2014 Ways and Means Committee Budget Workshop. The motion was seconded by Mr. Patch and the minutes were approved unanimously as amended.*

**VI. Citizens' Presentations or Comments:**

None

**VII. Old Business:**

A. Second Reading of **Ordinance 2014-07** – An Ordinance to Adopt the Fiscal Year 2014-2015 Budget for the Town of Kiawah Island, South Carolina (7/1/14 through 6/30/15)

Mr. Labriola stated that previous to the Ways and Means Committee meeting a Public Hearing was held for Ordinance 2014-07– the Fiscal Year 2014-2015 Budget. He noted that there was no public comment. Mr. Labriola stated that with the second reading the only notable change to the budget from the first reading is to the General Fund to address the issue of the KICA Pocket Guide.

*Mr. Patch made a motion to recommend to Town Council to adopt the Budget outline in Ordinance 2014-07 for Fiscal Year 2014-2015. The motion was seconded by Mr. Murphy.*

Mayor Lipuma noted that at the Public Hearing earlier this afternoon, there were no comments from the public.

Mayor Lipuma stated that he will be making a motion to delete from the budget \$75,000 for the satellite Charleston Visitors Bureau (CVB) office in Freshfields. He stated his reason was to reserve the funding for the East End Beach Repair and re-nourishment which is an allowable use of SATAX monies. Mayor Lipuma indicated that the funds could also be used for a new CVB office in a new municipal center that the Town will be looking at in the not so distant future.

***Mayor Lipuma made a motion to amend the previous motion to delete \$75,000 for the satellite CVB office in Freshfields and funding for the East End Beach Repair and re-nourishment. The motion was seconded by Mrs. Johnson. Mr. Patch agreed to the amendment of his motion.***

Mr. Murphy stated that when the Town annexed Freshfields it made a commitment to provide a level of police protection over and above what was previously provided and also noted that a walking deputy was added. He indicated that the CVB satellite office would provide facilities for the additional personnel. Mr. Murphy stated that he was not in favor of deleting the \$75,000 from the budget.

Mr. Patch stated opposition to the CVB satellite office had been debated at the previous Ways and Means and Town Council meetings. He indicated that at both meetings opposition was defeated by a four to one vote. He indicated that the total reversal does not reflect on the members as good policy making and he does not see any reason to delete the item.

Mrs. Johnson stated that after doing further research she discovered that the proposal had never been presented to Council as a concept. She indicated that there were several items in the application that were left unclear and that a lease had not been submitted for review to clarify exact responsibilities.

Mrs. Johnson also noted several items she felt should be considered: the downtown CVB would be receiving all the revenue from ticket sales; there were not Arts Council events in the coming year that required ticketing; visitors to the Island having unmonitored access through the gate; and using funds to reduce the debt service of land and/or building for a new municipal center would be better use of funds.

Ms. Rucker clarified that the funding of the CVB application was properly submitted to the State Accommodations Tax (SATAX) Committee. She stated the SATAX Committee is charged with vetting and making recommendations for the use of SATAX funds. She explained that state law requires a separate review and oversight of the applicability of funds and that the CVB application is within one of the eight clearly defined uses of SATAX funding. Ms. Rucker indicated that the CVB application was presented for review to Committee members in advance of the Ways and Means Budget Workshop along with the other funding requests and SATAX Committee recommendations. She maintained that had members submitted any questions at that time or at the following Council meeting, staff would have had better opportunity to prepare responses and provide clarity to the questions raised by Mrs. Johnson at today's meeting. Ms. Rucker stated that the past votes of Council and the Ways and Means Committee indicated support for the project.

Mayor Lipuma stated that changing circumstances over the past four to six weeks have made it essential that the Committee reevaluate the support of funding for this project. He stated that the funds could be better use for the Town's upcoming beach renourishment project and would also fall under the guidelines of the requirements for SATAX funding.

Mr. Gunnells called attention to the fact that the Town would be required report to the State of SC the circumstances as to why Council did not follow the recommendations of the SATAX Committee. He also pointed out that at the end of the 2014/2015 fiscal year the Capital Improvements Budget will have a balance of \$230,000 for beach renourishment projects.

Mrs. Johnson indicated that the application was not approved by Ways and Means or Council prior to submission. Both Mr. Gunnells and Ms. Rucker both clarified that the submission process did not require preapproval. Ms. Rucker stated that the intention of the project was to more fully integrate Freshfields into the Town. She further clarified that the project was vetted by representatives of Council, Freshfields management, the Charleston Visitors Bureau and the Chairman of the SATAX Committee.

Mr. Labriola praised Ms. Rucker for the work that was done in preparation of the project application. He indicated that he was going to support the Mayor's position. Mr. Labriola stated that the funds would be more beneficial to the Town by allocating them to expenses associated with future projects.

*Mr. Labriola called the question on the motion amendment to delete \$75,000 for the satellite CVB office in Freshfields from the budget thereby increasing the SATAX fund balance of the fund balance. The amendment passed by a 3 to 2 vote with Mr. Patch and Mr. Murphy voting No.*

*Mr. Labriola called the question on the motion to recommend to Town Council to adopt the Budget for Fiscal Year 2014-2015 as amended. The motion passed by a 3 to 2 vote with Mr. Patch and Mr. Murphy voting No.*

## **VIII. New Business**

### **A. St. John's Fire District Budget**

Mr. Labriola stated that while in attendance at a St. Johns Fire District (STJFD) meeting, one of the topics discussed was the Fiscal Year 2015 Budget. He introduced Mr. Olson, Kiawah Commissioner, and confirmed that Mr. Olson accepted his invitation to present an overview of the District's budget to the Ways and Means Committee and to Council.

Mr. Olson began his discussion by stating that the St John's Fire District was a Special Purpose District and is a component of Charleston County. He confirmed that the STJFD is run under the Commission form of Government. He stated the District provides fire service to Wadamalaw, Johns, Seabrook and Kiawah Islands. Mr. Olson stated the St. Johns Fire Commission is comprised of nine Commissioners and that Kiawah Island was represented by three; Mr. Kulick, Mr. Weaver and himself. He stated that as Chairman of the District's Finance Committee, he would be doing the budget overview.

Mr. Olson indicated the approval of the draft of the STJFD 2015 Budget was in progress. He discussed the budget development process and stated that with approval of the Finance Committee and the Commissioners, the budget was submitted to Charleston County. He confirmed that the draft budget would be presented at County Commission Meeting on May 29th for its first reading with a Public Hearing on June 3rd followed by the second reading and the third reading on June 17th.

Mr. Olson stated that the 2015 Budget included request for a tax increase to fund the additional personnel. He indicated that the request was vetted by the County Budget Commissioner with the recommendation that the District present the request to the County Council members representing the District to give them an opportunity for questions and comments. Mr. Olson indicated that meetings were held with Ms. Anna Johnson and Mr. Joe Qualey.

Mr. Olson presented to Committee Members a summary of the 2015 Budget and discussed the District's operation fund, debt services fund and the District's obligations. He explained that revenues largely come from property taxes and he also explained calculation of the 2.8 millage increase that had been requested.

Mr. Olson discussed the General Fund and gave an overview of some of the notable line items. He noted that in 2014 the District's staff included 128 fire suppression (firefighters) and non-fire suppression (administrative) personnel. Mr. Olson clarified that the 2015 budget included the addition of nine firefighters funded by the requested millage increase. He noted that the personnel figure included the salaries and benefits for the additional firefighters, an increase for the rise in benefit expenses and a two percent cost of living adjustment. Mr. Olson discussed efforts the Districts made to control the cost increases of the health insurance benefits. He indicated that the District has also been making salary and benefit comparisons of other local districts in order to keep the STJFD competitive in the market place.

Mr. Olson stated that in the past Mr. Murphy and the Public Safety Committee called attention to the 1710 standard of the National Fire Protection Association that indicates that fire apparatus should be manned by four people, minimum. He stated that at present, the STJFD was not able to meet that standard. Mr. Olson noted that it had been an objective of the newly installed Fire Chief to rectify the shortfall. He stated that Chief Walz, upon arrival, immediately applied for a grant to assist with the expenses associated with the addition of 18 firefighters by deferring salaries for two years. Mr. Olson stated that the grant request was not approved for this year but the District planned on reapplying.

Mr. Labriola questioned if the 18 firefighters applied for in the grant would cover the shortfall in the 1710 standard. Mr. Olson replied that 22 firefighters would be required to meet standards of 1710.

Mr. Patch questioned why the District only budgeted for 9 and not the 22 required. Mr. Olson discussed that Charleston County places the cap on increase requests and noted that the District had not asked for a millage increase in three years.

Mrs. Johnson questioned if the increase would be for personnel or equipment and why the request had not been made before. Mr. Olson stated that he could not answer for the decisions made before he became a commissioner. He stated that the maximum increase allowable would be to 23.6 mills,

the District is requesting an increase to 23.5 mills. Committee Members questioned where the additional personnel would be placed in the district. Mr. Olson stated his responsibility as a Commissioner was oversight of the Fire Chief and as a member of the Finance Committee was to get the funds. He stated that he was a representative of Kiawah but had no direct control of operations and the placement of personnel was solely at the discretion of the Chief.

Mr. Murphy questioned if there was a process in place whereby the District obtains feedback from constituents that can be incorporated into the budget prior to the final draft being presented. Mr. Olson replied that there was no such process in place. Mr. Patch questioned if representation of the constituents of Kiawah should not include feedback in the development process of the budget or other major initiatives. He questioned if it should not also include the engagement of individuals on Kiawah to obtain feedback that creates a better representation of the constituency. Mr. Olson responded by stating that the STJFD would be getting comments, feedback and views from all its stakeholders. In the past there was not a perceived need to include Kiawah residents in the budget process but would take the suggestion under advisement.

Committee Members continued to pose and discuss budgetary questions to which Mr. Olson along with Chief Walz provided clarification. Mr. Labriola asked if after the approval of the STJFD 2015 Budget, Mr. Olson would consider coming back to the Committee to discuss the placement of the additional firefighters. Mr. Olson stated that placement would not be known until the District performs a risk assessment to determine optimum benefit to the District.

Mrs. Johnson thanked Mr. Olson for his presentation and discussion. She stated as Kiawah Commissioner and liaison to the STJFD, it is through him that the Town stays informed on relevant issues. Mrs. Johnson invited Mr. Olson to continue to come back and share more information with the Members.

## **B. Emergency Services RFP Recommendations**

Mayor Lipuma stated that he had questions on the Request for Proposal (RFP) that he would like to address. He noted that in the RFP there was no reference to indicate that services currently provided to Kiawah are provided by other jurisdictions. He noted that some firm responses referred to "department" and seemed to make responses more complicated as seen by the suggestion of a "staged approach". Ms. Rucker clarified that responders were aware that the Town's services were provided by others. She stated that respondents were given the opportunity to contact the Town for additional information and that it was the responsibility of the respondents to research the community.

Mrs. Johnson questioned the need to obtain human resource information from the different services when it was her understanding that the RFP was to address the needs of the Town. Ms. Rucker stated that staff was instructed to prepare a comprehensive RFP that looked at all aspects of Kiawah's Emergency Services. She indicated that if, in the future, there was an identified need for staffing, the consultant would need to have an understanding of the personnel requirements, structure, impediments and limitations for each of the services to provide recommendations. Mr. Murphy further clarified that there may be items in the RFP that the consultants deem not necessary to all of the services and will then disregard.

Mr. Murphy stated the intention of the presented Evaluation Summary was to be a very simple analysis of the proposals received. He stated that the layout would allow an easy comparison of each respondent's characteristics or qualifications rather than having to dig through the entire proposal. Mr. Murphy stated the assignment of a point value to each criteria item was used to weigh the importance of the item. He indicated that in reviewing the summary, the proposal from PSSi was very obviously the prime candidate. Ms. Rucker added that the *cost vs value* criteria on the summary put "price" as the criteria with the least value. She stated along with *cost vs value*, each of the respondent's proposals was reviewed in detail and evaluated by;

- **Qualifications**
  - *education*
- **Experience**
  - *number of years of experience*
  - *experience with the various disciplines*
  - *relevance to SC; experience with beach front communities like Kiawah*
- **Deliverables**
  - *how clearly defined the consultant organized them in the proposal*
  - *detailed response in terms of tangible outcomes could be expected*
- **Understanding of the scope of work that was outlined in the RFP**

Ms. Rucker stated that after applying point values to the five criteria of each respondent's proposal, the PSSi proposal had gained the highest total points.

Mayor Lipuma questioned how the point value was determined for each of the criteria. Mr. Murphy explained that a judgment of the importance of each of the criteria was made and then combined to achieve a total of 100 points. Ms. Rucker added that the criteria and rating system was similar to those used in the evaluation of the Town's other major contracts. She stated that if the PSSi proposal was the Committee's recommendation to Town Council, and approved by Council, reference checks would be completed along with a follow-up meeting to talk through the components of the contract.

***Mr. Patch made a motion to recommend to Town Council the approval of the proposal of PSSi in the amount of \$44,850 as the Emergency Services Consultant. The motion was seconded by Mr. Murphy.***

Mrs. Johnson along with Mayor Lipuma requested to defer voting on the recommendation to Council to provide additional time to further evaluate the proposals. Members discussed the different backgrounds of the respondents and components of their proposals and agreed to make the recommendation to Council. Council would take up the approval of the Consultant allowing members an opportunity to reassess the proposals before their meeting.

***Mr. Labriola called the question to recommend the selection of PSSi as the Emergency Services Consultant. The motion was unanimously passed.***

### **C. SAFEbuilt Contract Amendment**

Ms. Rucker stated that the Town contracted with SAFEbuilt last year to perform its building permitting and inspections on site. She stated that the revenues and expenses were based on

historical data received from the Charleston County. She indicated that after completing a year of experience, the volume of work had greatly exceeded expectations. Ms. Rucker stated that based on the increasing volume of workload and the need for additional staff, the fee structure was reevaluated with SAFEbuilt. She stated the proposed amendment to the SAFEbuilt contract would convert the existing contract to a tiered percentage as an alternative to a fixed fee.

Proposed Approach – Percentage of Fees SAFEbuilt/ Kiawah Island	
Percentage of Fee Split up to \$500,000	70%/30%
Percentage of Fee Split \$500,001-\$800,000	65%/35%
Percentage of Fee Split \$800,001 +	60%/40%

Ms. Rucker stated the advantage of the amendment would be that the Town would no longer have to negotiate the increase or decrease of resources to accommodate the workload shifting the responsibility of managing services to the customer to SAFEbuilt.

***Mayor Lipuma made a motion to recommend to Town Council the approval of the SAFEbuilt Contract Amendment. The motion was seconded by Mr. Murphy and was unanimously passed.***

Mayor Lipuma stated that he agreed with the graduating fee structure, and raised the question to consider the further negotiation to a Percentage of Fee Split of fifty/fifty on the third tier of over \$800,001. Mrs. Rucker stated that the fee structure was agreed to in a very intense negotiation and that it was a reasonable resolution in consideration that the firm would carry the majority of the staffing expenses. Mr. Patch added that he felt that the percentage was negotiated to the maximum advantage.

***Following further discussion, the motion to recommendation of the approval of the SAFEbuilt Contract Amendment was unanimously approved.***

#### **D. Debris Monitoring Agreement Amendment with Atkins**

Ms. Rucker stated that the proposed amendment would extend the terms of the debris monitoring agreement with Atkins for an additional year.

***Mayor Lipuma made a motion to recommend to Town Council the approval of the Debris Monitoring Agreement Amendment with Atkins. The motion was seconded by Mr. Murphy and was unanimously passed.***

#### **E. Debris Reduction Site Agreement Amendment with Kiawah Island Golf Resort**

Ms. Rucker stated the Town had an agreement for a debris reduction site with Haulover Creek Development Company, a subsidiary of Kiawah Island Golf Resort. The proposed amendment to the agreement would allow the staging and burning of vegetative debris on the premises using the prescribed burning method allowed by DHEC.

*Mr. Murphy made a motion to recommend to Town Council the approval of the Debris Reduction Site Agreement Amendment with Haulover Creek Development Company. The motion was seconded by Mr. Patch.*

Mayor Lipuma commented that in the past there had been an issue with smoke during the burning of debris and questioned if this smoke would again be an issue. Ms. Rucker responded by indicating that the development of new methods that included the use of trenches and fans to allow for a hotter, faster burn and that the smoke is vacuumed away eliminating the billows of smoke that are associated with typical burning.

*Following further discussion, the motion to recommendation of the approval of the Debris Reduction Site Agreement Amendment was unanimously approved.*

**F. Comprehensive Annual Financial Report (CAFR)**

**G. Popular Annual Financial Report (PAFR)**

Mr. Gunnells presented to the Committee Members a copy of both the Comprehensive Annual Financial Report and the Popular Annual Financial Report. He stated both reports had been submitted to the Government Finance Officers Association (GFOA) for their review and accreditation.

**IX. Chairman's Report:**

None

**X. Treasurer's Report:**

None

**XI. Correspondence:**

A. Letters of Support

Mr. Labriola stated that the correspondence were letters written in support of the satellite Charleston Visitors Bureau (CVB) office at Freshfields Village.

**XI. Citizen Comments:**

**Elisa Cooper – General Manager – Freshfields Village**

Ms. Cooper thanked the Committee for their discussions on the satellite CVB office at Freshfields. On behalf of Freshfields merchants, visitors, and guests to Freshfields; she expressed her disappointment that the Committee withdrew its support for the satellite office. Ms. Cooper indicated that she understood that Town was charged with the allocation of the SATAX funding, but pointed that some of those funds were contributed from many yearly tourists that visit Freshfields. She felt that it would have not only provided a beneficial service for the guests and visitors, but also would have provided an opportunity to integrate Freshfields into the Town. Ms. Cooper also noted that the proposed location was a serious issue to the Committee and that other possible locations exist that may be more acceptable to the Committee. She stated that the satellite CVB office was endorsed by the Visitors Bureau and Freshfields merchants that also contribute into the Town in the form fees and taxes. Ms. Cooper urged the Committee Members to please reconsider the funding of a satellite CVB office in the future.



**XII. Committee Member's Comments:**

**Mr. Murphy** reported that there would be a Public Safety Committee meeting on June 11<sup>th</sup>. He indicated that the meeting will include a presentation of the analysis of EMS Clinical Data for the Quick Response Vehicle discussion. Mr. Murphy stated that the analysis was requested by Mr. Labriola and prepared by Dr. Scott Parker.

Mr. Murphy also pointed out that Disaster Awareness Day would be held on June 12<sup>th</sup> at the River Course.

*Mayor Lipuma motioned to discuss a contractual matter related to the acquisition of the Kiawah Island Utility, and to receive legal advice on the same and to discuss the acquisition of real property and to receive legal advice on the same, and to consider pending legal action to docks located on Salthouse Lane. The motion was seconded by Mr. Murphy, and motion carried unanimously.*


**XIII Executive Session:**

- A. To discuss a contractual matter related to the acquisition of the Kiawah Island Utility and to receive legal advice on the same.
- B. To discuss the acquisition of real property and to receive legal advice on the same.
- C. To consider pending legal action to docks located on Salthouse Lane.

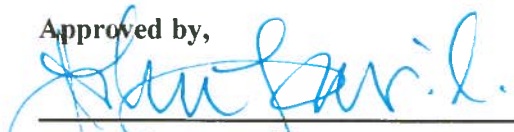
**XIV. Adjournment:**

*Mr. Patch made a motion to adjourn the meeting at 4:10 pm. Mr. Murphy seconded the motion and it passed unanimously.*

Submitted by,

  
\_\_\_\_\_  
Petra S. Reynolds, Town Clerk

Approved by,

  
\_\_\_\_\_  
John D. Labriola, Mayor Pro Tempore

7.30.2014  
Date