

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

April 25, 2017; 2:00 PM

MINUTES

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

II. **Pledge of Allegiance**

Present at the meeting: John R. Wilson, Chairman
Craig Weaver, Mayor
Diana Mezzanotte
Chris Widuch

Absent: Jack Koach

Also Present: Stephanie Monroe Tillerson, Town Administrator
Dorota Szubert, Town Treasurer
Dwayne Green, Town Attorney
Petra Reynolds, Town Clerk

III. **Approval of Minutes:**

A. Ways & Means Committee Meeting of March 28, 2017

Mayor Weaver made a motion to approve the Ways and Means Committee Meeting of March 28, 2017. The motion was seconded by Mr. Widuch and the minutes were passed.

IV. **Citizens' Comments: (Agenda Items only)**

Wendy Kulick – 38 Marsh Edge Lane

Mrs. Kulick encouraged the Committee to consider funding the application from the St. John's Fire District (STJFD) which was not approved for funding by the State Accommodations Tax (SATAX) Committee out of other funds as it did in a prior year.

V. **Old Business:**

A. None

VI. **New Business:**

A. To Consider Recommendation from the State Accommodation Tax Committee (SATAX) for Approval and Allocation of the 2017 SATAX Funds

Ms. Tillerson stated that of the 2017 SATAX funds received by the Town a portion is paid to the Charleston Visitors Bureau for advertising and a percentage is retained in the General Fund leaving an amount of \$1,128,000.00 to be allocated. Eight applications were received in the amount of \$1.4 million were received for consideration by SATAX Committee.

Ms. Tillerson stated the request for funding of a Quick Response Vehicle (QRV) from the STJFD was the only entity not receiving a recommendation for SATAX funding. She indicated additional conversation of the QRV request was taking place in the Public Safety Committee.

Project	Applicant Sponsor	2017 Application Request	SATAX Committee Recommended
Freshfields Events Promotion	TOKI/Freshfields Village	\$ 15,000	\$ 15,000
Marketing & Advertising Promoting Tourism	TOKI/Freshfields Village	\$ 50,000	\$ 25,000
The Wildside Cuest Pocket Guide	KICA/KINH-C	\$ 15,000	\$ 15,000
Public Access Events	TOKI / Kiawah Island Golf Resort	\$ 475,000	\$ 435,000
Kiawah Island Motoring Retreat	Kiawah Island Motoring Retreat	\$ 90,000	\$ 25,000
Emergency Medical Quick Response Vehicle	St. John's Fire District	\$ 60,000	\$ -
Beach Patrol	Town of Kiawah Island	\$ 189,752	\$ 190,000
Charleston County Sherriff Deputies	Town of Kiawah Island	\$ 532,208	\$ 423,000
Totals for Year Ending		\$ 1,426,960	\$ 1,128,000
Total Available for Funding 2017		\$ 1,128,000	\$ 1,128,000
Total in excess of Funding		\$ 298,960	\$ -

Mr. Widuch made a motion to recommend to Town Council the approval of the State Accommodation Tax Committee (SATAX) Recommendations for the Allocation of the 2017 SATAX Funds. The motion was seconded by Mayor Weaver.

Following further discussion the motion was unanimously passed.

- B. To Consider Recommendation to Town Council to Amend the Charleston County Sheriff's Office Contract to add one (1) additional Deputy on weekends; and One (1) additional Deputy during the weekdays commencing the Friday before Memorial Day through Labor Day

Ms. Tillerson stated the request for additional deputies was presented to the Public Safety Committee and recommended to the Ways and Means for consideration. She indicated both Ways and Means and Town Council approved the recommendation which the contract amendment will formalize. The additional deputies will be carried over to the new contract which will be presented to the Committee prior to its expiration in August and are included in the FY 17/18 Budget.

Mr. Widuch made a motion to recommend to Town Council the approval to amend the Charleston County Sheriff's Office Contract to add one (1) additional Deputy on weekends; and one (1) additional Deputy during the weekdays commencing the Friday before Memorial Day through Labor Day. The motion was seconded by Mrs. Mezzanotte.

Following further discussion the motion was unanimously passed.

- C. To Consider Recommendation to Town Council the Approval of the FY 2017 – 2018 Town of Kiawah Island Budget

Mrs. Szubert reviewed the changes to the FY17/18 Budget:

- ✓ Reduction of \$83,620 in County Accommodation Tax revenue
- ✓ Increase of \$14,000 in Insurance Expenses as the State Fiscal Accountability Authority is increasing its rates by 30% for the property and personal property insurance premiums effective July 1, 2017. Mrs. Schubert indicated she was working with a broker to review the policies to see if there are better rates available.

- ✓ Increase in the Consultant's expenses of \$7,350 for the professional photographer for the Opening Ceremony and Duncan Parnell's documents management.
- ✓ Decrease of \$608,000 in Tourism & Receptions expenses related to:
 - Allocation of the State Accommodation Tax to fund Deputies cost (\$423K) and Beach Patrol contract (\$190K)
 - Additional \$5,000 for the Pond Management on the Island.

Mr. Wilson stated the Public Works Committee will be working with McSweeney Engineers to prepare an RFP for repairs to the Kiawah Island Bridge. The Committee is recommending \$100,000.00 be added to the FY 2017-2018 Budget for the cost of project.

Mr. Widuch made a motion to approve the addition of \$100,000.00 to the FY 2017/2018 budget for the Kiawah Island Bridge Repair Project. The motion was seconded by Mayor Weaver and was unanimously passed.

Ms. Tillerson stated the Town submitted a request to the SATAX Committee in the amount of \$532,208.00, or 85% of the cost, for deputy coverage during the tourist season. The SATAX Committee recommended an amount of \$423,000.00 leaving a difference of \$109,208.00 (5%). She asked to consider funding the difference out of Local Accommodation Tax.

Mrs. Mezzanotte made a motion to approve the funding of the remainder of the 85% of the Charles County Sheriff Deputies cost from Local Accommodation Tax. The motion was seconded by Mayor Weaver and was unanimously passed.

Mayor Weaver asked for a clarification of what items of the budget will be approved. Members engaged in an in-depth discussion of the approval being the revenues, expenses as presented on page 8 of the FY17/18 Budget and includes the supplemental line item details and the listing of costs as capital expenditures.

Mayor Weaver made a motion to recommend to Town Council the approval of the FY 2017 – 2018 Town of Kiawah Island Budget as reflected in Attachments 1 through 26 as applicable with the adjustments approved to the allocation of the deputy cost and addition of \$100,000.00 for the Bridge Repair Project. The motion was seconded by Mrs. Mezzanotte and was unanimously passed.

D. To Consider Recommendation to Town Council the Office Copier/Printer Lease Agreement

Mrs. Braswell-Edgerton stated the Town's current lease with Xerox for the three office copiers and printers will end on May 8th of 2017. With the lease coming to completion and the transition to the new municipal center, the Town requested estimates from three potential printer suppliers. She indicated the estimates were reviewed based on leasing two copier/printer for general office use and one light print production machine. The three firm names and monthly lease amounts were:

- Carolina Business Equipment (Sharp/Toshiba products) - \$1,888.35 monthly
- Konica Minolta - \$2,175.37 monthly
- Xerox - \$2,086.00 monthly
 - **Xerox- (Reduction to general office use copier/printer and one light print production printer for general office \$1,943.00 monthly).**

Mrs. Braswell-Edgerton stated that each estimate incorporates equipment upgrades, supplies such as toner, waste containers staples and drum cartridges and an allotted pool of copies included in the lease. She indicated each company was asked to provide samples of Town Notes printed on the proposed machines to examine quality. It was determined the Xerox print quality was superior to the other two.

Mrs. Braswell-Edgerton indicated the current lease includes two copier/printers and one light print production printer; however, the new municipal center would start with one general office use copier/printer and one light print production printer. If approved Xerox will exchange the new equipment mid-May and return to move to the New Municipal Center at no cost.

With the bulk of the printing done for Town Notes, Members discussed if the printing should be done off-site. Mrs. Braswell-Edgerton indicated the Communications Workgroup is exploring the off-site printing option based on the expansion of Town Notes to eight pages.

Mrs. Braswell-Edgerton requested Council consider recommending to Town Council the approval to enter a five (5) year contract with Xerox for copier/printer services at a cost not to exceed \$36,000 annually commencing May 9, 2017 until May 8, 2022.

Mrs. Mezzanotte made a motion to recommend to Town Council the approval to enter into a five (5) year contract with Xerox for copier/printer services at a cost of \$3,000.00 monthly, not to exceed \$36,000 annually commencing May 9, 2017 until May 8, 2022. The motion was seconded by Mayor Weaver and was unanimously passed.

VII. Chairman's Report:

Mr. Wilson expressed his concern with the length of the budgeting process using far too many resources of both staff and Council. He suggested to consider having the process begin later.

Ms. Tillerson stated that staff had a final meeting with FEMA (Federal Emergency Management Agency) representatives at which time Town was given that the news it would receive a letter from FEMA indicating it had denied the Town's entire reimbursement application request totaling approximately \$600,000.00. The rejection was based on the fact that at the Town had not requested to participate in the PPDR (Private Property Debris Removal) program. The Town and the FEMA representatives who advised the Town nor the Town's Emergency Consultant were not aware of the program. The Town can resubmit its request for reimbursement of approximately \$120,000.00 in expenses incurred on the beach, Beachwalker Drive and the Parkway up to the gate.

Ms. Tillerson indicated she was consulting with the Town Attorney to determine if there was an appeal process. She stated she was also monitoring other Municipalities on how FEMA is responding to their reimbursement applications and what process they used before the storm in preparation for debris removal and FEMA debris removal programs. She also advised budgeting funds in preparation for an emergency or storm expenses in the event that there is no reimbursement.

Mr. Wilson stated the May 3rd Ways and Means Committee meeting will be rescheduled to June 2nd.

VIII. Treasurer's Report:

A. Review Budget vs. Actuals Third Quarter Report

Mrs. Szubert reviewed the Budget vs. Actuals report and Balance Sheet for the first three quarters of FY16-17 ending March 31, 2017. She stated revenues of \$6.2M were approximately \$88K or 1% lower than budgeted. This variance is mostly attributable to the timing of the monthly collection of the Local Accommodation and Hospitality Taxes. The building permits revenue has recovered in the third quarter; however, is still projected to carry a negative variance through the rest of the year and the total for the fiscal year 2017 is projected at \$1.1M compared \$1.25M budgeted. Another revenue source projected to fall under budget is interest revenue, as currently Town's investments are held at very low investment return. These negative variances are partially offset by the positive variance of approximately \$140K in business license revenue that is expected to carry through the rest of the year. All other revenues appear reasonable for this time of the year and in line with the expectations.

Mrs. Szubert indicated expenditures to date are approximately \$5.1M compared to \$4.6M budgeted. The negative variance of approximately \$500K or 11% is primarily driven by the cleanup cost after Hurricane Matthew that totaled as of March 31, 2017 at \$626,597. Another item attributing to the negative variance, which will carry through the end of the fiscal year, is rent expense. The actual prorated Town's share of the common area expenditures are significantly higher than budgeted. This negative variance is partially offset by the positive variance in the personnel cost of approximately \$100K lower than budgeted. This variance is attributable mostly to reduction of one full time position and change in the Town's attorney employment status from the employee to the independent contractor. All other expenses appear to be reasonable and the variances are related to timing.

Mrs. Szubert indicated through March 31, 2017, the new Municipal Center construction cost is approximately \$6.4M of the \$9.25M budgeted.

Ms. Tillerson indicated the LS3P contract, which expired at the end of March, is being reviewed to consider negotiation of the extension the contract through the end of the Municipal Center construction. She also noted a pending change order which includes discussion of adding a ceiling in the garage wash area, changes to the generator feeder and changes to the caliber size of the trees in the landscaping.

IX. Citizen Comments:

Wendy Kulick – 38 Marsh Edge Lane

Mrs. Kulick indicated that she assumed the planting of the landscaping was done early to give the plantings and opportunity to take hold before the Town moves into the building.

Members confirmed Mrs. Kulick's assumption and Mayor Weaver added the irrigation system was done and running.

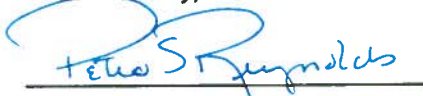
Mrs. Kulick made the suggestion for Council to consider using iPads to cut down on paper usage for reproduction of agenda materials. She used the example of the Berkeley Electric Trust Board converting to iPads when sending out the extensive applications for funding.

X. **Committee Member's Comments:**
None

XI. **Adjournment:**

Mayor Weaver made a motion to adjourn the meeting at 3:52 pm. The motion was seconded by Mr. Widuch and unanimously approved.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John R. Wilson, Chairman

6/22/17
Date