

**WAYS AND MEANS COMMITTEE MEETING
KIAWAH ISLAND MUNICIPAL CENTER
September 28, 2010, 9:00 AM**

Minutes

I. Call to Order

II. 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.

III. Roll Call

Present: G. Steven Orban, Chair
Alan L. Burnaford
Harry H. McHugh
Charles R. Lipuma

Also Present: Kenneth Gunnells, Town Treasurer

Absent: William G. Wert, Mayor
Tumiko Rucker, Town Administrator
Cathy Wilson, Town Clerk

IV. Approval of Minutes

A. Mr. Orban motioned to approve the Ways and Means Meeting Minutes of August 31, 2010. The motion was seconded by Mr. Burnaford. At last month's meeting as referenced on page number 4, we discussed the Destination Clubs and I have been watching it. Have we sent any information or looked into this matter any further. Mr. Gunnells commented that Tumiko has been reviewing it and Rusty has addressed it with her as well. Mr. Orban asked that we have a report at the next Town Council Meeting. Also, at last month's meeting Marilyn Olsen brought up the boxes on the beach. Has this matter been taken care of? Mr. Gunnells commented that we have a quote from a vendor to repair the boxes on the beach. Is everyone in favor of the motion? Please signify by saying aye. The motion carried unanimously.

V. Old Business

None

VI. New Business

A. 2009-2010 Financial Statements

Mr. Gunnells commented that the Town received a clean audit opinion and the Town met its budgetary and revenue projection goals. Mr. Gunnells noted that there is a required disclosure to the Town in the back of the statements indicating that we have not violated any rules.

Mr. Burnaford asked that they review the TRAC legislation proposal and how it could affect the Town of Kiawah. Mr. Gunnells explained that the committee has proposed that the local government's share of accommodations taxes be reduced. This would impact \$250,000 of the Town's revenue. This reduction would be used by the State to balance its annual budget. Secondly, the committee is proposing that the State collect all of the funding and distribute it to the local governments. Mr. Burnaford commented that he and staff would be attending the meeting in Columbia to address the committee and oppose this legislation.

Mr. McHugh commented that he opened his Comcast bill and found a note that Comcast would be increasing their franchise fee beginning November 1st. He asked how much money the Town will receive from the 3% franchise fee. Mr. Gunnells commented that we will receive this information once the new fee is implemented.

B. CSOL ATAX Approval of \$13K

Mr. Gunnells commented that the Town contacted the State Accommodations Tax committee and each member responded affirmatively to fund the CSOL event. Mr. Burnaford motioned to recommend approval of this event to the Town Council. This motion was seconded by Mr. Lipuma. Mr. Orban asked who the Town would be contracting with. Mr. Gunnells commented that the contract would be with the CSOL. Mr. Orban commented that this was good because he did not want any unpaid liabilities resulting from the performance. The motion carried unanimously.

C. Kiawah Island Parkway Handrail and Guardrail Painting

Mr. Burnaford motioned that we approve the painting on the guardrails. The motion was seconded by Mr. Lipuma. Mr. Burnaford amended the motion to reflect an amount not to exceed \$6,000. Mr. McHugh asked why they were painting the guard rails at this time. Mr. Orban explained that the timbers were all fresh wood that needed to cure prior to painting. Also, it had taken quite some time to receive responsive quotes for a job of this size. Mr. Lipuma asked if it made sense to pressure wash the timbers. It was clarified that the old timbers would be pressure washed. Mr. Orban called the question to approve the motion and the motion passed unanimously.

D. Roundabout Irrigation Repair

Mr. Orban commented that he had spoken with Mr. Rucker about the sprinkler head and she commented that the current 5-year old sprinkler heads had sunken into the soil. It is the recommendation of the landscapers to replace the heads at this time to ensure that we have adequate water at the circle.

The second portion of this item is the replacement of mulch on the Parkway. Mr. Burnaford commented that we should wait until we receive clarification, since the meeting materials indicate removal of the mulch. There was some discussion about the approach to mulching; whether it would be removed versus adding additional mulch to the existing roadway. Mr. Burnaford motioned to defer this item until more information becomes available. Mr. Orban explained that at the time the Town signed the landscape maintenance contract with the Greenery, the mulch was left out since the cost when presented was approximately \$38,000. We left the mulch as a unit cost to be revisited when needed. The consensus was to we defer the item until the October 5th Council Meeting.

E. Ordinance 2010-6 Outdoor Grilling

Mr. Orban stated that he had visited the Maritime Villas where these grills have been installed. The matter has also been discussed the issue at prior Public Safety Committee meetings. The fire chief has reviewed the ordinance and supports it. I edited the draft ordinance and Dennis has signed off on it as well. The Fire Department questioned whether or not annual inspection should be conducted, but overall they were very satisfied the document. Mr. Orban motioned to recommend approval of the ordinance to Town Council. The motion was seconded by Mr. Lipuma. The motion passed unanimously.

VII. Chairman's Report

Mr. Orban reported that he had requested that Mr. Gunnells prepare a report on Town credit card expenditures. I was very pleased with the report that showed that most of the expenditures were for small items. The report was well prepared and detailed the type of expenditures by person. Mr. Orban commented that the Mayor was the only elected official with a Town credit card and his expenditures were minimal.

VIII. Treasurer's Report

Mr. Gunnells explained that the major revenues for the Town this quarter were from the annual solid waste billing. The Town is still collecting on the invoices. The expenditures are on target and we are within budget for both revenues and expenditures. We will have the quarterly report at next month's meeting following the monthly closeout for September. The quarterly report will show how much has been received from State Accommodations Tax. This information will be helpful in determining how much may be available for additional events like the PGA.

Many of the higher yielding bonds that the Town held have been called and we are not able to find any rates that are interest bearing. Overall the Town is in excellent financial position as evidenced by the financial statements.

The Town budgeted for two computers in this year's fiscal budget. Due to savings in the purchase prices, the Town has been able to procure three laptops and docking stations for the employees that are using traditional desktop computers at no additional cost.

Mr. Lipuma asked if we are buying a computer for Aaron who may be leaving us. Mr. Burnaford commented that this decision has not been made yet. Mr. McHugh commented that the position has been budgeted through this fiscal year. Mr. Lipuma commented that there has some pressure and suggestions that another entity may supply funding for his position, but this may be a discussion better suited for Executive Session. Mr. Orban suggested that since the computer purchases were a budgeted item that the staff be allowed to determine how they are assigned to employees.

Mr. Burnaford asked what percentage of the bonds had been called. Mr. Gunnells stated that the calls depend on the market and once called, they are being reinvested at lower rates.

IX. Citizen Comment

Wendy Kulick, 38 Marsh Edge Lane: I have two questions. The first question relates to the Maritime outdoor grilling issue. If the current ordinance prevents outdoor grilling, how was the builder allowed to install them?

Mr. Orban explained that the County building inspector reviews the plans on behalf of the Town and uses the International Fire Code which does not prevent the use of electronic grills.

Mrs. Kulick: Has anyone gone through the Town's ordinances to identify other conflicts that may exist? Going forward it would be a prudent measure for the Town to take if it has not already been done.

Mr. Orban commented that I appreciate your comment and we will take this under advisement.

Mrs. Kulick: When will the Development Agreement that the Town will be voting on next week be made available to the public?

Mr. Burnaford commented that the errata sheet and everything should be received from Dennis today. As soon as we receive it, we will make it available. Mr. Lipuma commented that the same copy that was reviewed last month is what will be made available. It is my understanding that the Council, at the next Council meeting, will go through the errata sheet and approve those items as errata.

Mr. McHugh commented that the Town must have something before the public to let them know what we will be voting on. Mr. Burnaford reminded that the errata sheet has not been voted on by the Council.

Mr. Lipuma stated he emailed Dennis to incorporate an additional map in one of the exhibits showing sub parcels.

Mr. Orban asked Mr. Burnaford to call Dennis and ask him when we will have the errata sheet and the revised Development Agreement.

Mrs. Kulick suggested that the draft Development Agreement and the errata sheet be placed on the website for the benefit of the public. She also commented that the comments displayed on the website do not reflect the comments that were made during the Public Hearing.

Mr. Lipuma stated that the problem I have with the Development Agreement is that by signing the Development Agreement, we are entering into a contract. If the items are going to be done by the Resort anyway, then why not include them in the document?
Mrs. Kulick concurred with Mr. Lipuma.

Mr. Gunnells called Dennis during the meeting and reported that that per Dennis there is only one errata sheet comment that changes the Development Agreement text. Since the errata sheet has not been approved, then the existing version of the Development Agreement is current. The errata sheet has been sent to the Mayor for his approval. The updated exhibits will be completed by the end of the day. Dennis also stated that Charlie's additional request would need to be approved by Town Council. Mr. Lipuma commented that he would make a motion at the Town Council Meeting pertaining to this item.

Mrs. Kulick asked that the Public Hearing comments be added to the website.

Mr. Burnaford stated that he will get Stephanie to compile the Public Hearing comments and include what she can on the website. Mr. Gunnells stated that he will work to complete this.

X. Committee Member Comment

None

Mr. Orban asked for a motion to enter into Executive Session to discuss Legal Matters. Mr. Lipuma motioned to enter into Executive Session and the motion was seconded by Mr. Burnaford. The motion passed unanimously. The committee adjourned for Executive Session at 9:56 a.m.

XI. Adjournment

Mr. Orban stated that no decisions were made and no votes were taken while in Executive Session.

Mr. Lipuma motioned to adjourn the meeting at 10:39 a.m. Mr. McHugh seconded the motion. The motion carried unanimously.

Submitted by,

Tumiko Rucker, Town Administrator

Approved by,

G. Steven Orban, Chairman

Date