

**WAYS AND MEANS COMMITTEE
KIAWAH ISLAND MUNICIPAL CENTER
DOWNSTAIRS CONFERENCE ROOM
April 28, 2009, 8:00 AM
Minutes**

- I. Call to Order: Mr. Orban called the meeting to order at 8:00 am.**
- 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
William G. Wert, Mayor
Harry McHugh
- Also Present:** Kenneth Gunnells, Treasurer
Tumiko Rucker, Town Administrator
Catherine Wilson, Town Clerk
- Absent:** Alan L. Burnaford
Charles R. Lipuma
- IV. Approval of Minutes:**
A. March 31, 2009 Minutes
Mayor Wert motioned to approve the minutes of March 31. Mr. Orban seconded the motion. Mr. Gunnells struck the word “by” and inserted the word “to” on page 3. With that change, the minutes were approved unanimously.
- B. April 6, 2009 Minutes**
Mayor Wert motioned to approve the minutes of April 6, 2009. Mr. McHugh seconded the motion. Mayor Wert struck the word “sided” and inserted the word “sighted” on page 3 of the minutes. With that change, the minutes were approved unanimously.
- V. Old Business:**
A. Arts Council Ticket Automation
Mayor Wert motioned to approve the Town of Kiawah Island Arts Council Ticket Automation. Mr. Orban seconded the motion.

Mrs. Rucker requested the approval of the expenditure of up to \$6,000 for the electronic automation of ticketing for the Town of Kiawah Island Arts Council events. She stated that the Ways and Means Committee first reviewed this item in October of 2008 at which time they requested more detailed information. Mrs. Rucker stated that staff and the Arts Council recommend the implementation of online ticketing to reduce the annual costs to the Town and to improve efficiency. The total printing costs for in house ticketing is \$4,848.50 annually and the online ticketing is a one-time cost of \$5,000. The online ticketing option will create a database for future uses such as event advertising and notification.

Mayor Wert asked what the \$5,000 one time cost would provide the Town. Mrs. Rucker stated that the \$5,000 would update the Town's existing website with an online ticketing module. Mrs. Rucker stated that staff would continue to print tickets for anyone that came into Town Hall.

Mr. Orban asked if Mr. Lipuma, Arts Council Chair, voted for online ticketing. Mrs. Rucker responded that Mr. Lipuma did not vote in favor of the online ticketing but that it was approved by a majority and in October, the item was approved unanimously.

Mayor Wert and Mr. Orban both commented that they feel the current system works well and allows citizens the chance to come into Town Hall and see staff members. Mrs. Rucker agreed but stated that problems have arisen when people from off-island attempt to obtain tickets for an event and cannot make it into Town Hall during operating hours.

Mr. McHugh stated the he feels that the Ways and Means Committee should not make a decision without obtaining further information from the Arts Council. Mr. McHugh stated that this is obviously more efficient than in house ticketing. He explained that there should be a reason why the Arts Council recommended approval. Mayor Wert stated that Mrs. Rucker was a very powerful advocate for the item but that he did not recommend approval.

Mr. Orban called for a vote for the motion on the floor. The motion failed 2-1. Mr. McHugh voted yes and Mayor Wert and Mr. Orban voted no.

B. Second Reading-Budget FY 2009-2010-Ordinance 2009-5

Mr. Gunnells stated that the budget had minor changes since the first reading resulting from department heads requesting additional funds for operational expenses. Mr. Gunnells explained that the beach supplies and a current maintenance contract required additional funds than were not approved in the first reading of the budget. Mrs. Rucker stated that after the first reading, she met with staff to discuss the budget as approved during the first reading. Mr. Lameo requested additional funding for dog bags on the beach and for the current maintenance contract. Mrs. Rucker stated that 25 cases of dog bags cost \$2,500.

Mrs. Rucker stated that staff recommends discontinuing payments to the “Welcome to Kiawah Website.” The Town, KICA, and KPOG currently pay \$6,500 each for the website annually. Mrs. Rucker explained that the Town now has a website that posts all Town news and meetings and feels that it is duplicitous to pay for the upkeep of another website that contains the same information. Mayor Wert stated that he feels that the “Welcome to Kiawah” website is an important feature for the community and that it links visitors to all newspaper articles featuring the Town. Mayor Wert stated that if the Town pulls funding, the other contributing entities will not increase their funding to maintain the website and he does not want the Town to cause the website to be shut down. Mrs. Rucker stated that the Town pays \$100 per month for the Town’s website and hosting. Mr. McHugh suggested meeting with the two contributors and discussing a negotiated price. Mayor Wert asked Mrs. Rucker to speak with Joe Bunting, KICA, to discuss the Town’s concerns with the current price for the website. Further information will be relayed to Kelly Bragg, website owner.

After discussion, the Ways and Means Committee agreed to the budget with the following non-substantive changes:

<u>Line Item</u>	<u>Amount Increased</u>
Conservation Budget (Reallocation)	\$0.00
Public Safety (Cost of Dog Bags)	\$1,500
Building/Plant (Maintenance Contract)	\$3,000
Building/Plant (Perkins Contract)	\$3,000
Total	\$7,500

Mr. Orban motioned to recommend the agreed upon changes to Town Council for the second reading of Ordinance 2009-5. Mr. McHugh seconded the motion. The motion carried unanimously.

VI. New Business:

A. Fund Balance Policy

Mrs. Rucker stated that the Town does not have a fund balance policy. She explained that the Town, without the policy, is in violation of GASB 54 and that future Councils have the ability to tap into the fund balance with no restrictions.

Mayor Wert stated that he understands that the goal of the policy is to legislate against future policy decisions that could negatively affect the Town’s fund balance but that he feels there is no point in restricting the use of the funds.

Mr. Gunnells stated that the GASB 54 directive has both good and bad sides. The bad side of the fund balance policy is that it takes away flexibility in spending. The good side

is that it shows the Town is properly managing their finances and anticipated fund balance uses.

Mayor Wert stated that he feels that more flexibility is better. Mr. Orban stated that the added value would be that Council allocates monies for future uses such as: the beach renourishment, roads, and other major projects. The policy also removes the appearance that the entire fund balance is free for other uses.

Mrs. Rucker stated that the policy was written to allow the most flexibility and certain funds would remain undesignated. Mr. Orban stated that he understood the idea behind the policy but that if the Committee is more comfortable leaving the funds undesignated then they should continue to remain “undesignated.”

Mayor Wert motioned to approve the Town of Kiawah Island Fund Balance Policy. Mr. Orban seconded the motion. The motion failed unanimously.

B. Capital Project Fund

Mr. Gunnells explained that without the Fund Balance Policy, this item is moot.

Mayor Wert motioned to take no action on the item because it is moot without the Fund Balance Policy. Mr. McHugh seconded the motion. The motion carried unanimously.

C. Third Quarter Financial Report

The Committee discussed the third quarter financial report in detail and requested that further reports be presented with additional descriptive summaries on exceptions with less financial terminology.

D. Maintenance Services Contract

Mrs. Rucker stated that the Town has employed Mr. Bernard Glover since 1998 to perform cleanup around various dumpster sites. Mrs. Rucker stated that he does not have an employment contract and that she is concerned about continuing the employment without a formal agreement because the Town is liable for any injury he may sustain. She presented the Committee with a draft agreement not to exceed \$5,000.

Mayor Wert stated that he is concerned with the language requiring 150 days of work for \$5,000. Mrs. Rucker stated that the language was derived from a letter from the previous Town Administrator to Mr. Glover. Mrs. Rucker explained that he does not consistently work for the Town three days a week. Mr. Orban suggested employing him on an as needed basis and to remove the three day per week requirement. Mrs. Rucker stated that it is the Town’s preference that he work three days a week to keep the dump sites clean. Mayor Wert stated that he feels this work is needed and that Mr. Lameo and Mr. Martin should monitor the sites daily.

Mr. McHugh motioned to authorize staff to negotiate a contract with Mr. Bernard Glover to maintain the Town's dump sites. Mayor Wert seconded.

Mayor Wert stated that when the contract is negotiated, staff should negotiate a reasonable price, which will be more than \$5,000 if Mr. Glover is asked to work three days a week. Mr. Orban asked staff to come back to Ways and Means after a contract is negotiated.

The motion carried unanimously.

E. Fennell Container Contract

Mrs. Rucker stated that the Town has used Fennell Container Services to supply many of the Town's dumpsters. She explained that the Town currently does not have a contract with Fennell Container and that staff suggests negotiating a contract for future service not to exceed \$15,000 per year for a period of two years.

Mayor Wert motioned to allow staff to negotiate a contract with Fennell Container not to exceed \$15,000 per year for a period of two years. Mr. Orban seconded the motion. The motion carried unanimously.

F. Suburban Disposal Contract

Mr. Orban stated that Mrs. Rucker contacted Suburban Disposal on May 6, 2009 notifying them of the Town's position on the rate increase. The existing contract allows for an increase based upon the Southeastern region CPI. Staff does not recommend an increase for the current FY contract with Suburban Disposal. To date, no response from Suburban has been received.

G. Janitorial Contract

Mayor Wert motioned to extend the agreement with Sharon Perkins for Cleaning Services at an annual rate of \$28,000 beginning July 1, 2009. Mr. McHugh seconded the motion.

Mr. Orban asked what the Town is currently pays Mrs. Perkins. Mrs. Rucker stated that year to date, the Town has paid \$21,000 and that year end will be near \$25,000. Mr. Orban asked why Mrs. Perkins requested an increase of 57% and stated that he understands increasing the contract, but not by 57%. Mr. Orban stated that he does not want to increase at that amount without reason. Mr. Gunnells stated that the previous custodial line item held both Mrs. Perkins and Cintas Custodial Supplies. The Town has since discontinued their contract with Cintas. Mrs. Rucker stated that she requested an increase because costs have gone up and Mrs. Perkins did not receive an increase when gas prices were extremely high. Mayor Wert requested that Town Staff draft a contract with descriptions of scope of work and fees, and resubmit the contract to the Ways and Means Committee.

The Committee asked staff to provide reasoning for the 57% increase. Mrs. Rucker stated that the increase was based on the fact that the rates are too low for the service and dedication that Mrs. Perkins has provided to the Town for the past ten years.

Mrs. Rucker stated that she is comfortable with this item remaining on the Town Council agenda for discussion. After much discussion, Mayor Wert asked for the item to be represented to the Committee at the next meeting.

No vote was taken.

H. Parkway/Bike Path Bid Review and Recommendation

Mr. Orban stated that the Town advertised an RFP for the improvements to the Kiawah Island Parkway in the Post and Courier on March 30 and 31. Bids were due by 3:00pm on April 27, 2009. The following seven bid responses were received by the Town and inspected by Jimmy Dupree of Thomas and Hutton Engineering:

Gulfstream	\$1,225,586.36
Banks	\$1,298,005.86
Sanders Brothers	\$1,296,495.35
Phillips and Jordan	\$1,416,560.29
OL Thompson	\$1,523,296.39
Three Oaks	\$1,563,337.00
Truluck	\$1,694,902.10

Mayor Wert motioned to recommend to Town Council the authorization to de-scope a contract with Gulfstream Construction for the Kiawah Island Parkway Project after further staff and legal review of all bids. Mr. Orban seconded the motion.

Mr. Orban stated that de-scoping will involve going over the legal requirements and construction details with the bidder before entering into a contract. Mr. Orban stated that the de-scoping can be completed before the Town Council meeting.

Mr. Gunnells stated that Sanders Brothers did not quote the “road signage” item. Mrs. Rucker read the following response from Dennis Rhoad regarding a related party issue with Gulfstream, “Provided the integrity was maintained I have no problem with Gulfstream being awarded the contract if in fact they are the most qualified lowest bidder.” Mrs. Rucker also stated that Mr. Ray Pantlik, KDP, must review the bids.

After discussion, the motion passed unanimously.

VII. Chairman's Report

None

VIII. Treasurer's Report

None

IX. Citizen's Comments

Alex Conley,

Mr. Conley stated that he was in attendance as required by two of his Political Science classes at the College of Charleston. His family has owned a house on Kiawah since 1996 and he thanked the Committee for the wonderful job they are doing. He is junior pursuing his degree in Political Science.

X. Committee Member Comments

None

XI. Adjournment

Mayor Wert motioned to adjourn the meeting at 9:38am. Mr. McHugh seconded the motion. The motion was approved unanimously.

Submitted by,

Catherine Wilson, Town Clerk

Approved by,

G. Steven Orban, Chairman

Date

**cc: Town Council
Dennis Rhoad, Town Attorney
Kenneth Gunnells, Town Treasurer
Tumiko Rucker, Town Administrator**