

**WAYS AND MEANS COMMITTEE
KIAWAH ISLAND MUNICIPAL CENTER
UPSTAIRS CONFERENCE ROOM
AUGUST 25, 2009; 9:00AM**

MINUTES

- I. Call to Order: Mayor Wert called the meeting to order at 9:00am.**
- II. FOIA:** Notice of the 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: William G. Wert, Mayor
Alan L. Burnaford, Mayor Pro Tem
Charles R. Lipuma
Harry M. McHugh

Also Present: Kenneth Gunnells, Treasurer
Tumiko Rucker, Town Administrator
Catherine Wilson, Town Clerk

Absent: G. Steven Orban, Chair
- IV. Approval of Minutes:**
A. Ways and Means Minutes of June 30, 2009
Mr. Burnaford motioned to approve the minutes of June 30, 2009. Mr. McHugh seconded the motion. Mr. Lipuma replaced the word “receives” with “services” on page three of the minutes. With that change the minutes were approved unanimously.
- V. New Business**
A. Kiawah Island Parkway Landscaping Budget Considerations-Charlie Arrington, KDP
Mr. Arrington stated that the Bike Path Project is well underway and that the landscape contract is separate from the construction project contract. The landscaping must be bid separately because it is a different scope. He explained that he would like to present the landscape package and recommend budget changes.

Mr. McHugh asked about the need for an additional stop sign at the general store to get the bike path across the road. Mr. Arrington stated that they are working on the stop sign issue in that area and he does not feel it will need to be moved or an additional sign added.

He explained that the original project budget was \$4.5 million. Due to the economic times the construction bid came in much lower than estimated and left the total project budget at a little over \$2 Million. He stated that because the prices came in so low it looks to be a good opportunity to increase the scope of the landscaping. In June, KDP recommended a budget adjustment of \$873,000. The original landscaping budget was \$350,000 and this was based on trying to keep the original overall budget under \$4.5 Million. KDP approached the landscaping project as they do for all other landscaping projects and estimates that per linear foot, the total cost could be around \$1.5 million. Through the use of a slideshow presentation he pointed out three different areas along the path. He divided the landscaping needs of the parkway into three separate categories: Category I consists of sod, irrigation, and shrubs and comprises 54% of the roadway; Category II consists of sod, irrigation, shrubs, and trees and comprises 19% of the roadway; Category III consists of irrigation and native grasses and comprises 27% of the roadway. The projected grand total for the landscaping budget as presented by Mr. Arrington is \$873,000. He stated that the costs coming in so under budget presents an opportunity. He then presented the design cost estimate of \$844,306. This bid will be advertised tomorrow and bids will be in by mid September.

Mr. McHugh asked Mr. Arrington if this is the most environmentally sensitive plan and he asked if they have met with Dave Achey, KICA, on this plan. Mr. Arrington stated that the plan is environmentally sensitive and they have met with Dave Achey to obtain advice on native plantings. He explained that the drip irrigation is more environmentally sensitive than using spray irrigation and that with native plantings, there will be less grass to mow. Mr. McHugh asked if there are any alternative plans that are more environmentally sensitive. Mr. Arrington stated that he is comfortable with this plan and its effect on the environment.

Mr. Lipuma requested a cost estimate of parkway maintenance now compared to parkway maintenance in the future.

Mr. Burnaford asked if grass takes more fertilizer than the native plantings. Mr. Arrington stated that once the native plantings are established it will not need fertilizer but that grass requires more fertilization.

Mayor Wert asked if tidal waters will wash away the bank wall of the bike path and possibly cause it to collapse. Mr. Arrington stated that if there is a hurricane, there is the potential. He explained that the bike path that goes across the marsh has a 2:1 slope and this is the angle of repose suggested. There will be an erosion mat placed to hold the plantings and help them establish. He explained that extreme high tides can undercut the wall.

Mayor Wert asked if the mitigation area is working at Cassique. Mrs. Rucker stated that Thomas and Hutton has completed surveys and prepared a report but

she has not seen it at this time. Mr. Arrington stated that some of the plantings are not doing well but some of them are. He stated that the marsh grass does not look good at the lower elevations. He explained that nature will take its course over time and he is not worried about the success of the site.

Mayor Wert stated that he asked Mr. Arrington to come in and present the landscaping to the Council. He thanked Mr. Arrington for his time.

B. Kiawah Island Bike path Change Order Approvals

Mrs. Rucker stated that since the approval of the original Bike path construction contract, there have been three change orders presented for approval. Mrs. Rucker stated that the orders have been signed off on by Mayor Wert and approved and initialed by Steve Orban. Mrs. Rucker stated that the change orders are presented for recommendation to Town Council. She explained that there is a second action requested to approve Mr. Orban's and Mayor Wert's approval of change orders up to \$50,000.

Mayor Wert stated that the motion that passed the original contract authorized change orders to be approved by the Mayor after review of Mr. Orban. He stated that he does not sign them without the approval and review of Mr. Orban. He explained that unless the Council disagrees, they will continue with this procedure.

During the Roundabout project Mr. Orban was authorized to approve up to \$50,000 per change order and is requesting the same approval for singular change orders for this project. Mr. Lipuma asked if any change orders during the Roundabout reached \$50,000. Mrs. Rucker stated that the large change orders dealt with the irrigation but none over \$50,000.

Mr. Lipuma motioned to recommend approval of the three change orders to Town Council.

Mayor Wert stated that the Town has been operating under the same ground rules as they did for the Roundabout project and that this is to formally request approval authorization for up to \$50,000. He explained that the first two change orders have already been approved and the third one just came in within the last week. He explained that formal approval to approve change orders up to \$50,000 by his signature and Mr. Orban's approval would automatically approve the one remaining change order.

Mayor Wert motioned to recommend to Town Council the formal approval of Mayor Wert and Mr. Orban to authorize change order approvals up to the amount of \$50,000 for the Kiawah Island Bike Path and Parkway Project contract. Mr. Burnaford seconded the motion.

Mayor Wert stated that the change orders will continue to be brought to the full council for information. Mr. Lipuma stated that only change items over \$50,000 will be brought to council for approval.

After discussion, the motion carried unanimously.

C. Charleston County Transportation

Mrs. Rucker explained that the Town has received notification from the County of funding totaling \$400,000 for the construction of the Kiawah Island Parkway and Bike Path. The funds were granted in \$200,000 increments for FY 2007 and FY 2008. The Town has submitted funding totaling \$150,000 for FY 2009 but no award notification has been sent to the Town.

Mr. Burnaford stated that he was unaware of the monies from Charleston County until now. Mr. McHugh asked if the Town has received the \$400,000 and if not, if they will receive 100% once requested. Mrs. Rucker stated that the Town has been approved for the money but that receipt of all funds is not guaranteed. The funds are not granted until the Town requests them. Mrs. Rucker stated that it was approved for the Parkway both years.

Mr. Gunnells stated that these funds are only as reimbursement available after the Town has expended funds.

Mayor Wert stated the Town will request the funds but that receiving 100% is not guaranteed.

Mrs. Rucker stated that the Town has expended \$252,000 funds on the Parkway project to date.

D. Vehicle Maintenance Policy

Mrs. Rucker stated that Mr. Gunnells, at her request, established a draft vehicle maintenance policy. This policy will formally establish that the vehicles are maintained at an authorized dealer and all reports are received and filed by the appropriate departments. This will clearly define the timing, location, and scope of the maintenance. She stated that written reports should be received and filed with the Treasurers' office for insurance purposes, the Town Administrator's office for future vehicle recommendations, and with the department that the vehicle is used by.

Mayor Wert asked if the Town has ever taken their vehicles to an unauthorized dealer and voided their warranty. Mrs. Rucker replied that the vehicles have been taking to unauthorized dealers but that the warranty has never been voided.

Mr. Lipuma recommended that the Town Administrator have a regular maintenance vehicle policy such as the one that is currently in place. Mrs. Rucker stated that one of the reasons they thought this policy is necessary is in the past

there have been vehicles maintained by smaller shops that have not reported that vehicles had severe rust to the extent where they had to replace a vehicle unexpectedly. Mrs. Rucker explained that they did state that the vehicle was in “good operating condition” despite visible rust. Mr. Gunnells stated that employees were put in danger.

Mayor Wert stated that the Town Administrator should put the vehicle policy into affect and let the staff know. He stated that he gets concerned with increasing the bureaucracy of these policies.

Mr. Burnaford stated that the Code Enforcement manager should be in charge of the vehicle policy and he should be in charge of the paperwork. Mr. Burnaford stated that if you have a chance of endangering your people or losing the warranty to take the manager aside and deal with it.

Mr. Gunnells stated that he had a discussion with the insurance representatives and most Town’s have a vehicle maintenance policy.

Mr. Lipuma stated that when the Town Administrator has a policy, then it is in place, but that he does not feel it should be voted on by Council.

Mrs. Rucker stated that the Town currently has standard operating procedures for the maintenance of the vehicles and that she will have the policy become part of those procedures.

E. Town Vehicle Disposition-Jeep Wrangler

Mayor Wert stated that this is for a 1999 Jeep that is used on the beach. He stated that they would not expect it to last more than 10 years. Mrs. Rucker explained that this item is for information only.

Mr. McHugh asked how the vehicles are protected against rust. Mr. Gunnells stated that when new vehicles are purchased they are undercoated heavily. He explained that prior to the budget, they requested an assessment of the undercarriage of the Jeep and were told that it was in good operable condition and therefore no monies budgeted to replace the vehicle.

Mr. Lipuma stated that the vehicles are also sprayed when returned from the beach.

F. Solid Waste Expansion Cost Analysis

Mr. Lipuma stated that he did not understand the spreadsheet because it is titled “savings to homeowner” and he does not see any savings listed. Mr. Gunnells stated that this document was approved in April with the budget and that the savings is to the homeowner.

Mr. Gunnells stated that the document has been updated to reflect the regimes but was originally approved along with the budget. The original budget was altered to show the projected budgeted costs to bring the regimes onto the trash and recycling pickup. That projected cost is \$75,605.30. The total projected solid waste cost for the Town is \$950,941.62. He explained that because the program is new they have added a contingency of nearly \$15,000 to make the total proposed budget \$965,000.00.

Mr. McHugh asked if the incremental costs that have not been budgeted are \$75,605.30. Mr. Gunnells responded yes. Mr. McHugh then asked how that figure is split up between recycling and trash pickup costs. Mr. Gunnells stated that he is not positive but believes it splits up to be around \$40,000 trash pickup and \$30,000 recycling.

Mr. McHugh stated that he was under the assumption that there was money already in the budget for the operational cost for recycling and therefore the projected unbudgeted \$75,605.30 is not correct. He stated that he was told that there were funds budgeted for the incremental increase of recycling for regimes and that those funds should be deducted from the \$75,605.30.

Mayor Wert stated that the \$839,813.83 includes the budgeted costs for recycling but that the projected increase of \$75,605.30 is new and unbudgeted for regimes. Mrs. Rucker clarified and stated that she understood Mr. McHugh's point and that the \$839,813.83 did include funds for recycling including the regimes. She stated that the additional amount that breaks out for recycling in regimes is additional to what is already budgeted.

Mayor Wert stated that regimes should be clearly defined when presented to Council and asked that the term "Regime" when being used for Homeowner's Associations currently taking part in the Town's solid waste program, be replaced with HOA.

VI. Chairman's Report:

None

VII. Treasurers Report:

Mr. Gunnells stated that he presented general financial information to show the Town's standing as of June 30, 2009. He explained that some revenues are under budget for the year. The County and Local ATAX has not been fully received. He explained that ATAX revenues were down by 20% this year and that Council's recommendation to budget for a decrease by 30% was the correct approach. Mr. Gunnells predicted that all Accommodation revenues will be under budget. He explained that overall the trend seems to be close to a 20% reduction in revenues but that the Business License revenues did meet the budget.

Mr. Lipuma stated that he agreed it was prudent to reduce the budget by 30%.

Mayor Wert stated that the Town originally budgeted a 30% reduction in revenues and expenditures and that it seems the total is going to be close to 20%. He explained that if there are additional funds, the Town can possibly revisit the charitable giving funds.

Mr. Gunnells stated that he believes revenues will be down 30% during the current fiscal year as well.

Mr. Gunnells stated that \$300,000 was budgeted for the Cross Island Parkway but those funds were not expended.

He stated that \$700,000 was budgeted for the enterprise fund and only \$500,000 was expended.

Auditors will be in during the latter part of the week and a full set of audited financials will be presented to Council during the first week of October.

VIII. Citizen's Comments:

A. Marylin Olson, 4985 Green Dolphin Way

Mrs. Olson stated that upon inspection of the list of regimes listed for recycling services that she does not see Turtle Point I listed. She also asked for an explanation of Green Dolphin. She asked how the maximum subsidy will be divided and assigned to each individual regime.

B. Wendy Kulick, 38 Marsh Edge Lane

Mrs. Kulick stated that the review of the Solid Waste Handout, she asked if the regimes listed been previously billed or previously received the service.

Mrs. Rucker stated that they have been billed for solid waste and received solid waste but have not been billed for recycling nor received recycling.

IX. Commissioner's Comments:

Mr. McHugh:

Mr. McHugh stated that he is uncomfortable with the rationale that the Council should spend more money on landscaping just because they have more money than originally estimated.

Mr. Lipuma:

Mr. Lipuma stated that if the County comes through with the money then that money could possibly be used for landscaping.

Mayor Wert:

Mayor Wert stated he thinks the Town should wait to receive the bids and see what kind of numbers they bring in. He stated that he would hate to spend the money and it not look like something the Town is proud of.

X. Adjournment:

Mr. Burnaford motioned to adjourn the meeting at 10:15am. Mr. Lipuma seconded the motion. The motion carried unanimously.

Submitted by,

Catherine C. Wilson, Town Clerk

Approved by,

G. Steven Orban, Chairman

Date