

**WAYS AND MEANS COMMITTEE
KIAWAH ISLAND MUNICIPAL CENTER
DOWNSTAIRS CONFERENCE ROOM
DECEMBER 1, 2009; 9:00AM**

MINUTES

- I. Call to Order: Mr. Orban called the meeting to order at 9:00am.**
- 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
Charles R. Lipuma
Harry M. McHugh

Also Present: Kenneth Gunnells, Treasurer
Catherine Wilson, Town Clerk

Absent: Alan L. Burnaford, Mayor Pro Tem
Tumiko Rucker, Town Administrator
- IV. Approval of Minutes:**
A. Ways and Means Minutes of October 27, 2009
Mayor Wert motioned to approve the minutes of October 27, 2009. Mr. Lipuma seconded the motion. The motion carried unanimously.
- V. Old Business:**

None
- VI. New Business:**
A. Island Beach Service Beach Service Contract
Mr. Gunnells stated that the franchise agreement allows for annual renewals effective January 1. All other sections of the agreement remain in full force and effect.

Mayor Wert motioned to recommend approval of a one year extension of the Island Beach Service Franchise Agreement to Town Council. Mr. Lipuma seconded the motion.

Mr. McHugh asked if any of the fees change in the contract. Mr. Gunnells stated that the only change is the extension of the term.

After discussion, the motion carried unanimously.

B. Coastal Hydropower Contract Renewal

Mr. Gunnells stated that the contract with Coastal Hydropower is for the pressure washing and cleaning of the municipal building and allows for annual renewal and all other sections of the agreement remain in full force and effect.

Mayor Wert motioned to extend the Coastal Hydropower Contract through December 31, 2010 at an annual price of \$6,890.06. Mr. Lipuma seconded the motion. The motion carried unanimously.

C. Ordinance 2009-11, Business License Ordinance Amendment

Mr. Gunnells stated that during the budget process during the past year, the business license rates were adjusted and agreed upon. Ordinance 2009-11 amends the Municipal Code Business License section to include the budgeted rates for 2010.

Mayor Wert motioned to recommend Ordinance 2009-11 to Town Council for approval. Mr. McHugh seconded the motion.

Mayor Wert asked why this item must be approved when the budget ordinance had the fees budgeted upon its passing.

Mr. Gunnells stated that he spoke with Mr. Rhoad and that it requires Ordinance 2009-11 to effectively change the business license ordinance.

Ms. Wilson stated that because the budget only contains budgeted amounts for business licenses and not actual fees, Ordinance 2009-11 is required to change the business license fee amounts in the business license section of the Municipal Code.

Mr. Gunnells stated that the budget did contain the fee schedule as presented but that according to Mr. Rhoad and Mrs. Rucker, those rates must be specifically adopted in the specific business license Ordinance 4-323.

Mr. Lipuma suggested that the rates be changed by the Ordinance reading "rates as budgeted." Mr. Gunnells stated that he agrees with that recommendation.

Mr. Orban explained that because we have a Business License Ordinance, these rate changes must be reflected in that specific Ordinance and be reflective of the current rates that are charged.

Mr. McHugh asked why rates are different for certain classes. Mr. Gunnells explained that the classes represent business type categories.

After discussion, Mr. Orban called for a vote and the motion carried unanimously.

Mayor Wert stated that there will be a Public Hearing on January 5 at 1:45pm for public comments on Ordinance 2009-11.

D. VC3 Contract Renewal

Mr. Gunnells stated that the Town has a contract with VC3 to maintain and monitor the Town's servers, website, computers, and anti-virus softwares. The contract allows for extension and appoints Joe Foster as the Virtual Chief Information Officer. The original contract is up and allows for renewal. The changes will allow for closer scrutiny of Town systems. The fiscal 2009-2010 rates remain the same and is set to change as follows: \$22,380 in 2010; \$27,141.72 in 2011; \$29,120.04 in 2012; and \$31, 820.16 for 2013. Mr. Gunnells stated that the Town has recently experienced problems with the current service hardware and that the new contract will provide better service to the Town.

Mayor Wert motioned to recommend the VC3 Contract renewal to Council. Mr. McHugh seconded the motion.

Mayor Wert stated that if he voted for contract renewal, it would be to approve for one year at a time. He stated that he did not understand the added benefit of a 12.5% increase. He stated that he would need to see more and see the added services.

Mr. Gunnells stated that the intent is to minimize costs in the future. He stated that the Town is currently two versions behind on Windows and the server needs to be replaced next year. He stated that these items could cost nearly \$25,000 for replacement. He stated that the server failed within the last month and covered under the Dell Maintenance Agreement, however the labor had to be paid for.

Mr. McHugh stated that unless there is a major added benefit shown, he does not agree with the cost increase.

Mr. Orban stated that he would agree to spend the \$22, 380 for one year and then discuss further next year. Mr. McHugh stated that the cost for 2009/2010 remain as budgeted.

Mr. Lipuma stated that as he understands, VC3 is enlarging their scope of service and that is one reason for the increase in cost.

Mr. Gunnells stated that they will be able to monitor the equipment more closely and actually detect, in advance, if hardware is beginning to fail.

Mr. Lipuma stated that he would like to see the rate for basic services remains the same, and that the increases are shown by service line item.

Mayor Wert stated that, as presented, he does not have enough information to approve the contract cost. He stated that as a Council, they need more information before making a decision.

Mr. McHugh asked if this contract will remain in effect through the current fiscal year. Mr. Gunnells stated that the contract does not expire until June 30.

Mayor Wert asked if VC3 would not add the additional services if the Town did not agree to the contract extension. Mr. Gunnells responded that no additional services are included in the current contract. Mayor Wert stated that staff can request that VC3 provide the additional services for an evaluation period that will allow the Town to time to evaluate them.

Mr. Orban called for a vote and the motion failed unanimously.

Mayor Wert motioned to notify VC3 that the Town has reviewed the recommendation and would like to see it applied to allow the Town to evaluate the price increase. Mr. McHugh seconded the motion. The motion carried unanimously.

E. Shutter Maintenance Agreement

Mr. Orban stated that this is for a contract for the Town's motorized storm shutters. The Town recently spent \$4,057 to repair the shutters in 2009. The original contract was through Weatherguard, LLC which no longer does business. To reduce the costs and keep the shutter system working, staff suggested entering into a contract with Shutter Sales and Service, LLC for an annual price of \$2,800.

Mayor Wert motioned to allow the Mayor to sign the contract with Shutter Sales and Service, LLC. Mr. McHugh seconded the motion. The motion carried unanimously.

F. Town Attorney-Annual Cost of Living Review

Mayor Wert motioned to authorize the Mayor to inform the Town Attorney that there will be no cost of living increase this year. Mr. Orban seconded the motion. The motion carried unanimously.

G. Island Beach Service Request

Mr. Butch Neal, Island Beach Services, requested to build a temporary enclosure behind the garage for the storage of two ATV vehicles. He stated

that Island Beach Services would agree to indemnify the Town from any liability associated with the construction materials and/or the completed shed.

Mr. Lipuma asked about the stability of the structure especially in the case of a storm. Mr. Neal stated that this structure is not visible and will be constructed to building code hurricane standards.

Mr. Gunnells stated that he suggests an indemnification from Dennis Rhoad.

Mayor Wert motioned to ask the Town Attorney to draft indemnification documents to allow this work to proceed. Mr. McHugh seconded the motion. The motion carried unanimously.

VII. Chairman’s Report:

No Report.

VIII. Treasurers Report:

Mr. Gunnells stated that overall, the Town is in good shape. W2’s will go out during the first of the year. Business licenses will go out in January reflecting the new classification rates.

IX. Citizen Comments:

None

X. Committee Member Comments:

None

XI. Adjournment:

Mr. Lipuma motioned to adjourn the meeting at 9:40am. Mr. McHugh seconded the motion. The motion carried unanimously.

Submitted by,

Catherine Wilson, Town Clerk

Approved by,

G. Steven Orban, Chairman

Date