

**WAYS AND MEANS COMMITTEE MEETING
KIAWAH ISLAND MUNICIPAL CENTER
January 5, 2010; 9:00am**

MINUTES

- I. Call to Order: Mr. Orban called the meeting to order at 9:00am.**
- II. FOIA:** Notice of this meeting was 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
 Alan L. Burnaford, Mayor Pro Tem
 Charles R. Lipuma
 Harry M. McHugh
- Also Present:** **Kenneth Gunnells, Town Treasurer**
 Catherine Wilson, Town Clerk
- Absent:** **Tumiko Rucker, Town Administrator**
- IV. Approval of Minutes:**
- A. Ways and Means Minutes of December 1, 2009**
Mr. Lipuma motioned to approve the minutes of December 1, 2009. Mr. McHugh seconded the motion. The motion carried unanimously.
- V. Old Business:**
- A. VC3 Presentation**
Mr. McHugh stated that one of his concerns is that the proposal shows a 45% increase over the term and he needs to hear an explanation of how that makes sense.
- Mr. Orban stated that the Town is currently paying \$1,865 per month and he would like to know how the service would be impacted if that rate remains.
- Michael Hatten and Sandy Reeser with VC3 presented the Committee with a comparison of the current and proposed computer systems maintenance programs. They described the proposed maintenance as proactive rather than reactive and explained that this could reduce the time that staff is unable to use the system. Mr. Hatten also stated that the proposed program offers a fixed annual cost rather than a per hour/monthly rate. Mr. McHugh asked if the Town's actual expenses are running above the contract amount. Mr.

Gunnells stated that the current contract has run over on hours but has not averaged over the budgeted amount. The Town is currently being billed for 14 hours at \$99 per hour and \$45 per hour travel costs. However, Mr. Reeser stated that the Town is averaging 17+ hours per month.

Mr. Orban asked why the proposed program's cost increases almost \$5000 during the first year. Mr. Reeser stated that it was because they are delaying the increase until the Town's 2010 fiscal year to allow time for the Town to budget. Mr. Gunnells explained that he had already refused an increase in 2009 due to the Town's budgetary needs. Mr. Reeser stated that if the Town remains on an hourly rate in the new fiscal year, the rates will increase to \$2,190 per month due to the rate change approved by the Municipal Association of South Carolina. The change reflects a per hour rate of \$120.

Mr. Orban asked if the Town agrees to the proposed offer if there will be any additional costs. Mr. Hatten stated that there could be additional costs if there are any computers or other hardware added but no additional costs if there are no changes.

Mr. Hatten stated that the per year increases shown are for a 5% increase in the hourly rate. Mr. Reeser stated that there is a clause in the contract that lets the Town out each fiscal year so there is a chance for review each fiscal year.

Mr. Hatten stated that VC3 is taking a large step in spending capital for the equipment at Town Hall and that they want to provide the Town with the increase in services.

Mr. Orban stated that when he reviews the prices, he still has a problem with a 37.5% increase over three years.

Mr. Gunnells stated that he recommends approving the new service as presented because it provides a fixed annual fee. He also stated that he recommends contract review after each fiscal year.

Mr. Orban motioned to recommend the VC3 contract through 2013, with annual review, to Town Council for approval. Mayor Wert seconded the motion. The motion carried unanimously.

VI. New Business:

A. Arbor Care Contract-Parkway and Bike Path Project

Mr. Orban stated that this contract is for tree pruning and clearing associated with work on the Kiawah Island Parkway and Bike Path Project. Mr. Orban stated that Arbor Care has performed clearing on the right-of-way and a contract needs to be approved. A budget for clearing was included in the original Parkway budget for \$16,000. To date, the Town has a bill that is close to \$10,000.

Mr. Orban motioned to approve the Arbor Care Contract at an amount not to exceed \$16,000. Mr. Lipuma seconded the motion.

Mr. Lipuma stated that he was taken aback that Arbor Care was clearing trees before it was discussed who would authorize the work. Mr. Orban stated that part of the bill may be Gulfstream's responsibility. Mr. Gunnells stated that based on a conversation with an Arbor Care representative, the bill was originally faxed to KDP because they were the ones who requested the work. Mayor Wert stated that he has no question in his mind that the work had to be done or that anyone could do it better and he feels that this bill should be paid as soon as possible.

After discussion, the motion approved unanimously.

B. Contract Discussion-Sonny's Beach Debris

Mr. Gunnells stated that Sonny's Beach Debris Contract is set to expire January 31, 2010. The Contractor has submitted a letter requesting a 3.5% increase in his contract amount. Mr. Gunnells stated that the Town increased the rates in 2008 during the contract extension. Mr. Gunnells recommended bidding the Beach Debris contract as set forth in State Procurement law. Mr. Gunnells stated that the current service will be billed on a month-to-month basis until bids are received and reviewed.

Mr. Burnaford asked if the Town had given permission for the contractor to purchase and use a 4-Wheel drive vehicle that the Town is now being requested to pay for the increased services. Mr. Burnaford also stated that the Contractor has requested an increase in rates due to an increase in recycling boxes that he is servicing on the beach. Mr. Gunnells stated that part of the increase in 2008 was directly associated to the increase in recycling boxes.

Mayor Wert motioned to seek bids for the service of Beach Debris in accordance with state procurement laws. Mr. Burnaford seconded the motion. The motion carried unanimously.

C. Revised Regime Solid Waste Collection Costs

Mr. McHugh stated that this is the contract that reflects the cost for collection of solid waste for the regimes on the Island. Mrs. Rucker was able to get a reduction of roughly 20% from the existing contracts that were in place with the regimes. Mayor Wert stated that 17 of the 19 regimes showed a reduction in costs and the Town is now covering the entire costs for the service.

Mr. Burnaford asked that this be contributed for the first page of Town Notes.

Mayor Wert stated that he would like to have an executive session to discuss legal and financial matters.

VII. Chairman's Report:

No Report.

VIII. Treasurer's Report:

Mr. Gunnells stated that the Town is on schedule with the receipt of the ATAX funds which are approximately running 10%-15% below revenues which is anticipated for this time of year. Expenses are as budgeted and Mr. Gunnells stated that he believes the Town will be on budget. Cash flow is on target.

IX. Citizen's Comments:

Marilyn Olson, 4895 Green Dolphin Way

Many of the beach boxes are in disrepair and some are even buried on the beach. Mrs. Olson stated that the majority of the regimes have Ravenel as a manager were paying two times less than the other regimes on the Island she stated that once they joined the contract the amount reduced and that part of the 20% reduction includes those amounts.

Wendy Kulick, 28 Marsh Edge Lane

Mrs. Kulick stated that she is concerned that when the Live Oaks along the Parkway take root, that the roots will undermine the paving on the Parkway. Mrs. Kulick stated that there were tons of people on the Bikepath during the holidays and recommended that additional cones be installed to block the path.

X. Committee Member Comments:

None

XI. Executive Session:

Mr. Orban motioned to enter into executive session to discuss legal and financial issues. Mayor Wert seconded the motion. The motion carried unanimously.

No votes or actions were taken during executive session.

XII. Adjournment:

The meeting was adjourned at 10:32am.

Submitted by,

Catherine Wilson, Town Clerk

Approved by,

G. Steven Orban, Chairman

Date