

**WAYS AND MEANS COMMITTEE  
KIAWAH ISLAND MUNICIPAL CENTER  
DOWNSTAIRS CONFERENCE ROOM  
March 31, 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**  
                  **Alan L. Burnaford, Mayor Pro Tem**  
                  **Charles R. Lipuma**  
                  **William G. Wert, Mayor**  
                  **Harry McHugh**
- Also Present: Kenneth Gunnells, Treasurer**  
                          **Tumiko Rucker, Town Administrator**  
                          **Catherine Wilson, Town Clerk**  
                          **Kari Bowman, Recreation Program Manager at Night Heron Park**  
                          **Pamela Cohen, Nature Weekend Spokesperson**  
                          **Scott Fister, Recycling Coordinator KIGR**
- IV. Approval of Minutes:**  
**A. Ways and Means Meeting Minutes of February 24, 2009**
- Mr. Lipuma motioned to approve the minutes of February 24, 2009. Mayor Wert seconded the motion. Mayor Wert and Mr. Burnaford made typographical changes to the minutes. With those changes, the minutes were approved unanimously.**
- V. Old Business:**  
                  A. None
- VI. New Business:**  
**A. Ordinance 2009-4 Kiawah Island Parkway Financing**  
                  Mr. Gunnells stated that the ordinance has been prepared in compliance with the commitment letter from Wachovia with an expected bond rate of 2.45%. The Town will leave the commitment unlocked until the rates begin to adjust.

Mayor Wert motioned to recommend Ordinance 2009-4 to Town Council for approval. Mr. Orban seconded the motion. The motion was approved unanimously.

**B. 2009-2010 Budget Workshop**

Mr. Orban motioned without exception to consider item number 2, “SATAX Fund” as the first part of the budget discussion.

**1) General Fund**

Mr. Orban asked why staff had not presented a budget showing a 30% reduction of budgeted revenues. Mr. Gunnells explained that staff was able to show a \$489,000 increase in revenue by adjusting business license fees to a competitive fee and certain revenue reductions would not decrease. Mr. Gunnells stated that contractual revenues would not be reduced.

The Committee went over each expenditure line item and made the following changes:

<b>Expenditure Line Items</b>	<b>Staff Requested Budgeted Amount</b>	<b>Ways and Means Recommended Amount</b>
Salaries-Regular Employees	\$544,000	\$530,537
Salaries-Temporary	\$30,000	\$20,000
Community Events-Arts Council	\$77,500	\$72,500
Community Events-Other	\$10,000	\$5,000
Community Outreach	\$20,000	\$0.00
Consultants-Professional	\$35,000	\$26,000 (VC3 Contract)
Equipment-Minor	\$9,000	\$16,500
Furniture and Fixtures-Minor	\$600.00	\$1,000
Printing and Binding-Other	\$11,050	\$7,000
Photography Services	\$36,000	\$0.00
Repairs-Building	\$20,000	\$5,000
Repairs-Equipment	\$8,000	\$5,000
Repairs-Mosquito Abatement	\$10,000	\$0.00
Supplies-Miscellaneous	\$8,450	\$8,000
Supplies-Uniforms	\$3,000	\$1,500
Beach Supplies/Maintenance	\$7,000	\$5,000
Travel-Lodging	\$11,000	\$8,000
Miscellaneous	\$22,050	\$15,000
KINHC	\$50,000	\$0.00
Contingency Funds	\$50,000	\$25,000

Mrs. Rucker stated that she did not recommend budgeting for a contingency. She stated that in governmental budgeting, expenditures should balance with revenues and that contingencies should be budgeted in a capital improvement fund. The Committee discussed the possibility of increasing business license and solid waste fees. After a

lengthy discussion, the Committee agreed to increase business license fees to a comparable and competitive level of other regional local governments. The increase will go into affect January 1, 2010. Staff explained that the Town of Kiawah increases license fees for companies that are located outside of Charleston County while Sullivans Island, Isle of Palms, City of Charleston, and Folly Beach increase license fees for businesses located outside of their municipal limits. The change in business license fees will generate a projected \$293,686.57 increase in revenue.

The Ways and Means Committee agreed upon the changes above and decreased the general fund budgeted balance to \$1,526,817 resulting in a projected general fund balance of \$7,558,741.

**2) SATAX Fund**

Mr. Orban stated that the SATAX Committee met March 26, 2009 to hear applicants' proposals and to recommend funding to the Ways and Means Committee. Mr. Gunnells read the legal funding requirements from the SC Revenue Ruling #98-22.

Mrs. Rucker stated that after a 30% mandated reduction from Town Council, the amount available for funding is \$700,000. Staff reviewed the ATAX Committee recommendations and made further recommendation to the Ways and Means Committee. Mrs. Rucker reviewed the following applications:

**1. Charleston County Sheriffs Deputies:**

<u>ATAX Recommendation</u>	<u>Ways and Means Recommendation</u>
<b>\$210,000</b>	<b>\$210,000</b>

Mr. McHugh stated that he did not feel this item brings tourists and that 75% of the deputy salaries should not be funded through ATAX funds. Mr. Lipuma stated that if the ATAX funds are not used for the salaries, the item will be funded through the general fund. After much discussion, the Ways and Means Committee agreed to fund the item at \$210,000.

**2. Kiawah Island Parkway Project**

<u>ATAX Recommendation</u>	<u>Ways and Means Recommendation</u>
<b>\$0.00</b>	<b>\$60,000</b>

Mrs. Rucker stated that the Committee felt that the \$250,000 that was approved last year, and unspent, fulfills the request for \$250,000 for the Parkway Project. The ATAX Committee focused on applications that directly related to increased tourism on the Island and did not recommend funding for the Parkway project. Staff recommended \$50,000 for the Parkway Project.

**3. Golf Tournament APT**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$0.00	\$0.00

Mrs. Rucker stated that this was for a golf tournament to be held on Kiawah Island during the APT Conference. The ATAX Committee did not recommend funding.

**4. American Music Celebration**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$12,500	\$20,000

Mrs. Rucker stated that the \$12,500 would not be feasible for the production of the event. The event has been relocated to Freshfields due to the increased cost of the facility at the Resort. The statistics provided in the application supported the additional cost of \$5,000 from last year's performance costs. Mr. McHugh asked if Freshfields contributes to the events hosted at Freshfields. Mayor Wert explained that they do not charge a venue fee but to his knowledge, they do not contribute. Mr. Gunnells stated that they have tried to book on the Island but have been unable to reach an agreement with the Resort. Mrs. Rucker stated that the event sponsor will contribute \$15,000 from funds and the remaining \$20,000 will come from ATAX.

**5. Blues by the Sea**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$12,500	\$20,000

Mrs. Rucker stated that this is an annual event traditionally held at Mingo Point. This event has grown annually and has outgrown the Mingo Point facility. For \$12,500, the event would not be possible. This event will also be held at Freshfields. Mr. Lipuma asked if the Resort was asking \$2,500 plus the cost of food for the use of Mingo Point. Mr. Gunnells replied yes and that the Resort charges \$2,500 for their venues. Mr. Gunnells stated that this application was the best application in regards to supporting statistics.

Mrs. Rucker stated that the Town of Kiawah Island formed a Memorandum of Understanding with Private groups on the Island. This Memorandum of Understanding allows the Town to submit ATAX funds and hire a contractor to complete the events.

**6. Summer Concert Series**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$30,000	\$30,000

Mrs. Rucker stated that these events do not compete with other events during the Summer and have shown to be a great success.

**7. Charleston Symphony Orchestra Concert**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$20,000	\$25,000

Mrs. Rucker stated that \$20,000 is for the cost of performance and that \$5,000 is the cost for the tent. There is a concern over booking at the Sanctuary and have been unable to secure a date in advance of 30 days. The event can take place at Freshfields but has taken place at the Sanctuary in the past. Mr. Orban stated that the event will take place November 7 either at the park or at the Sanctuary.

Kari Bowman stated that Night Heron Park has been offered as a location and that she would be honored to host the event at the Park. Ms. Bowman stated that when booking events with the Resort, Roger Warren has asked events as large as this, contact him directly. Mayor Wert recommended approving \$25,000 for the event and directed staff to contact Roger Warren and secure a location at the Resort. If a location is unable to be secured, they will pursue another site.

**8. Nature Weekend**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$10,000	\$0.00

Mrs. Rucker stated that after review of this event, that staff did not recommend funding because they did not feel it will generate the expected amount of tourists as a new event. The event focused on hosting photographer Franz Lanting for a nature weekend lecture. Mrs. Cohen stated that Mr. Franz Lanting is a world renown, incredible photographer and that he would attend the nature weekend as the keynote speaker. Mrs. Cohen expressed the magnitude of Mr. Lanting's work and stated that he has a large following and is greatly appreciated in the nature photography world. He has also had several covers on National Geographic. Mrs. Cohen did not have dates or venues to present. Mr. Burnaford stated that it would be helpful to have a date planned as to not fund events that would overlap.

**9. Holiday Events/Sanctuary**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$16,250	\$0.00 (Divided with application #12)

Mrs. Rucker stated that application #9 and application # 12 should be treated as a single application because the applicant is the Resort in both instances and many of the events overlap. Staff felt that a total of \$80,000 for both holiday event applications would be sufficient for program funding. Mr. McHugh asked if there was a way for the Resort to present an application that is more function specific rather than wreathing and decorations for the events. Mr. Lipuma stated that the Sanctuary and the Resort are the same entity and should not present separate funding requests. Mr. Burnaford agreed with Mr. Lipuma's suggestion. After much discussion, the Committee agreed to a total

funding of \$80,000 for both applications #9 and #12. Mayor Wert expressed concern with the Resort's marketing publications and the lack of notice that funding is provided by the Town of Kiawah Island.

**10. Sanctuary Annual Special Public Program**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$93,939	\$50,000

The Committee expressed great concern with certain aspects of Resort funding. While acknowledging that the Resort is a large generator of tourist spending, the Committee did not agree to funding for decorations or additions to an event that did not directly correlate with tourism on the island. Mr. Gunnells stated that staff only recommended funding that is for programming only. The Ways and Means Committee recommended \$50,000 for Sanctuary Annual Special Public Program.

**11. Spring and Summer Programming Resort**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$137,700	\$137,700

Staff explained that the Spring and Summer Resorts were great for tourism and recommended \$137,700. The Ways and Means Committee agreed.

**12. Holiday Events/Resort**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$112,200	\$80,000 (Divided with application # 9)

Ms. Bowman stated that \$112,200 is a reduction from the historical funding amounts. Mrs. Rucker asked if the Resort would provide the programming without ATAX funding. Ms. Bowman stated that the events at Night Heron Park would not be conducted without ATAX funding.

**13. Intercollegiate Golf Tournament**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$0.00	\$0.00

Mrs. Rucker stated that this event is held at Oak Point which is not on Kiawah Island. The Committee did not recommend funding.

**14. 2008 Winter Promotional Events**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$0.00	\$0.00

Mrs. Rucker stated that the original request was for decorations and that staff did not recommend funding. The Ways and Means Committee did not recommend funding.

**15. Nature Programs**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$17,000	\$8,000

Mrs. Rucker stated that staff did not recommend funding of this item because the Nature Programs include funding for the Nature Center for additional displays and brochures. Staff did not feel that this would directly relate to tourist spending and that it should be funded through the Resort. Mrs. Rucker explained that the Town’s Environmental Committee funds twice a year field trips to the Nature Center. Mr. Lipuma stated that \$9,000 of the request was for upgrades and only \$8,000 were for speakers and presentations. He suggested that the presentations could be supportable. Mayor Wert agreed. After discussion the Committee recommended \$8,000 for the programming aspect of the application.

**16. KI Recycling and Sustainability Initiatives**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$0.00	\$0.00

Mrs. Rucker stated that this item is for recycling expansion at the Resort and focuses on e-waste. Mr. Orban stated that this item does not fit within the funding guidelines. Staff stated that recycling and solid waste is covered under the ATAX funding. Mr. McHugh stated that the items must relate to tourism. After discussion, the Committee did not recommend funding.

**17. The Wildside: Guest Pocket Guide**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$30,000	\$20,000

Mrs. Rucker stated that the guides are distributed at the gate and helps to promote tourism. The Committee stated that there are current brochures left from last year’s printing and suggested funding \$20,000.

**18. Mosquito Abatement Activities**

<b><u>ATAX Recommendation</u></b>	<b><u>Ways and Means Recommendation</u></b>
\$0.00	\$10,000

Mrs. Rucker stated that this creates a more pleasant environment for tourists to visit. Mr. Orban stated that this is a much larger abatement project than the KICA localized spraying. Mrs. Rucker stated that the Town has generally budgeted \$10,000 for mosquito abatement.

**19. Kiawah Island Marathon**

<u>ATAX Recommendation</u>	<u>Ways and Means Recommendation</u>
\$0.00	\$1,560

Mrs. Rucker stated that these funds would be used for increased security during the marathon check-in. Mr. Orban stated that the Town is responsible for public safety and traffic control outside of the gate and hopes that this will reduce the line. Mr. McHugh stated that he feels that this project should be funded. The project aims to reduce check-in times and lines.

**20. Withdrawn**

**21. Charleston Ballet Theatre Kiawah Island**

<u>ATAX Recommendation</u>	<u>Ways and Means Recommendation</u>
\$0.00	\$25,000

Staff explained that these events have demonstrated tourist attraction to the island and recommended the funding. Mr. Lipuma stated that the Arts Council will work with scheduling the event. Mr. Gunnells stated that \$25,000 will fund three performances. After discussion, the Committee recommended \$25,000 in funding.

**22. Cars in the Park**

<u>ATAX Recommendation</u>	<u>Ways and Means Recommendation</u>
\$0.00	\$0.00

Mrs. Rucker stated that staff did not recommend funding because it is mostly attended by island residents and not advertised for outside attendance.

The Ways and Means Committee had a balance of \$2,740 that was not recommended for distribution. The total allocations of funds reached \$697,260.

**3) CATAX Fund**

The Ways and Means Committee made no changes to the CATAX Fund. The major expenditure is the Beach Patrol line item at \$170,000. The CATAX has a fund balance of \$655,307.

**4) LATAX Fund**

Mr. Gunnells stated that the beach consulting and repairs were Coastal Science and Engineering fees and are required by law until 2012. The Committee made the following change to the LATAX Fund:

<u>Expenditure Line Items</u>	<u>Staff Presented Budgeted Amount</u>	<u>Ways and Means Budgeted Amount</u>
Repairs/Maintenance-Roads	\$30,000	\$20,000

The LATAX has an operating loss of \$74,883 budgeted in 2009/2010 and a fund balance of \$3,991,998.

**5) Beverage Fund**

The Ways and Means Committee made no changes to the Beverage Fund Permits.

**6) Hospitality Fund**

The Ways and Means Committee made the following changes to the Hospitality Fund:

<u>Expenditure Line Items</u>	<u>Staff Presented Budgeted Amount</u>	<u>Ways and Means Budgeted Amount</u>
Consultant-Roads	\$10,000	\$0.00

The Hospitality Fund has a budgeted increase of \$21,534 with a fund balance of \$945,236.

**7) Capital Improvement Fund**

Mrs. Rucker stated that budgets should be strictly revenues over expenditures. She stated that it is a misnomer to represent a fund balance in each fund. She explained that once the budget year ends, the balance is to roll into fund balance. Active year revenues should be spent only on active year expenditures. Fund balance should be restricted for certain purposes or be left undesignated. Mrs. Rucker suggested that the Town adopt a fund balance policy. She also recommended allocating a percentage of the fund balance to a Capital Improvement Fund. This would plan for capital replacements and expenditures.

The Committee asked staff to develop a policy to present to the Ways and Means Committee for their review.

**VII. Chairman's Report:**

No Report.

**VIII. Treasurer's Report:**

No Report.

**IX. Citizen Comments:**

Mr. Bill Blizard stated that he recommends a training session for the SATAX Committee that would focus on the legal funding requirements. Mr. Blizard also stated that the Resort has a voting advantage with Roger Warren and Elisabeth King being members on the SATAX Committee.

**X. Executive Session:**

**Mr. Lipuma motioned to enter into executive session. Mr. Burnaford seconded the motion.**

**No votes or actions were taken during executive session.**

**XI. Adjournment**

**Mr. Burnaford motioned to adjourn the meeting at 1200pm. Mr. Lipuma seconded the motion. The motion was approved unanimously.**

Submitted by,

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**Catherine Wilson, Town Clerk**

Approved by,

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**G. Steven Orban, Chairman**

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**Date**

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