

**Ways and Means Committee
Kiawah Island Municipal Center
Downstairs Conference Room
November 3, 2008, 8:00 AM**

MINUTES

I. Call to Order:

Mr. Orban called the meeting to order at 8:00am.

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
Alan L. Burnaford, Mayor Pro Tem**

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

IV. Approval of Minutes:

Mr. Burnaford motioned to approve the minutes of October 6, 2008. Mayor Wert seconded the motion. Mayor Wert removed the word "Town" and inserted the words "Island Beach Service, Inc." on page 4, Item C. With those changes, the minutes were approved unanimously.

V. Citizens Presentation:

None

VI. Old Business:

A. Awarding of Landscape Contract

Mrs. Rucker explained that after staff carefully reviewed all proposals and had an additional conversation with the Kiawah Island Community Association (KICA), staff suggested that the Ways and Means Committee recommend KICA for the Towns landscaping contract. Mr. Orban asked why staff changed their opinions on the bid. Mrs. Rucker stated that after review of the individual price points, the price differences were too significant to recommend anything higher than KICA as the lowest bidder. Mayor Wert explained that at first, staff and the committee thought that KICA's bid quoted the work by unit, and did not quote the work as all inclusive. The conversation with KICA staff cleared up the misconception and Mayor Wert noted that KICA's original bid of \$54,000 was an all inclusive bid price and did meet the bid specifications. Mrs. Rucker

also stated that in the Town's conversations with KICA they explained that they have reduced their overhead and are able to provide the full service at the total cost of \$54,000 per year.

Mr. Burnaford asked if the work specification in the RFP was sufficient for the Town to hold KICA responsible for their work quality. Mrs. Rucker stated that the RFP was very specific and that she has drafted a contract which the attorney is reviewing at this time. The contract will have strict landscaping specifications and an added payment protection to the Town. Mrs. Rucker stated that the Town will not have to release payment if they are not completely satisfied with the landscaping work.

Mr. Orban asked how many years the contract is for. Mrs. Rucker explained that the contract is written as a three year contract, commencing on January 1, 2009, with two eligible one year extension periods after the initial three years. Mrs. Rucker stated that the contract has language "not to exceed five years." Mrs. Rucker also stated that a request for an increase in the contract amount must come 60 days in advance and would be based on the most recently published CPI in the Southeastern Region. Any increases will require both Ways and Means and Town Council approval. Mrs. Rucker stated that January 1, 2009 will allow adequate time for legal review of the contract.

Mr. Orban expressed concern over the fact that bids were received and analyzed for over three months and now the lowest bidder is recommended. Mr. Burnaford explained that it was because the original bid was misconceived as an incomplete quote and after the conversation with KICA, it was clear that the quote was complete and around \$50,000 less than the next lowest bid.

Mr. Gunnells stated that until the contract is signed, KICA will be billing the Town at their current, higher rates.

Mayor Wert motioned to recommend KICA as the Town's landscape maintenance contractor to Town Council, in the amount of \$54,000 for a period of three years commencing on January 1, 2009. Mr. Burnaford seconded the motion. The motion carried unanimously.

VII. New Business:

A. Town of Kiawah Island Arts Council Ticket Automation

Mr. Orban asked if this item would cost \$6,000 initially and then have additional yearly costs. Mrs. Rucker stated that the only cost would be up to \$6,000 and that no yearly costs would be incurred because the service will be added to the current Town website.

Mayor Wert asked for a detailed description of the purpose of the item. Mrs. Rucker explained that the addition of this service would allow persons to obtain Arts Council tickets online and reduce office traffic. Mrs. Rucker explained that the service will also create a list of attendees, thus proving a more efficient means of attendance tracking. Mrs. Rucker also explained that the Arts Council spends approximately \$200-\$300 dollars per event for ticket printing and this service would greatly reduce the outside

costs. Mayor Wert asked if someone would have to attend the event with a printed list in order to check off attendees. Mrs. Rucker stated that at this point, that would have to happen, but the Town is looking into printing bar codes on each ticket that would be scanned as they enter the event. Mayor Wert asked how attendees that do not have a printer at home would obtain a receipt with a barcode. Mrs. Rucker stated that an Arts Council member would have the printed list of people that received tickets and be able to allow entrance by name instead in the instance that someone does not have a paper ticket or receipt. Mayor Wert asked if the \$6,000 cost included the barcoding machine. Mrs. Rucker stated that \$6,000 does not include the barcoding machine. Mrs. Rucker stated that this system is much improved from the current system of handing out Arts Council tickets.

Mayor Wert asked why this expense will come from the General Fund when the Arts Council has \$100,000 operating and \$15,000 for administrative costs. Mrs. Rucker stated that when this item was presented to the Arts Council, they accepted the proposal and Mr. Lipuma asked that the cost be paid from the administrative budget. Mrs. Rucker explained that after the meeting, Mr. Lipuma met with Mr. Gunnells and expressed concern that paying \$6,000 from the administrative line may present a burden during this season and therefore recommended that a portion of the cost come from the Town's General Fund.

Mr. Gunnells stated that with his discussion with Mr. Lipuma, they reviewed the printing costs from last season's Arts Council productions and the total cost was \$10,400. Mr. Lipuma did not want to take the chance to be over budget on their printing needs for the season.

Mr. Burnaford asked for the amount of savings associated with the cost of adding the ticket program. Mrs. Rucker stated the Town would save around \$7,000 in printing cost per year and increase personnel efficiency. Mr. Burnaford stated that there would be ongoing cost savings associated with the reduction of printing in-house. Mr. Orban asked if the Town is spending \$1.00 per ticket. Mrs. Rucker explained that some tickets may cost the Town more than \$1.00 per ticket.

Mr. Burnaford stated that the Arts Council should use their budget to pay for this program because they are the group that will receive the associated savings. Mr. Orban agreed with Mr. Burnaford. Mayor Wert explained that the Arts Council is held to the same spending restrictions that Town Council is and that a budgeted item over \$1,000 must have approval before the money is expended. Mayor Wert stated that any contract performance or any cost over \$1,000 must have his approval. Mayor Wert explained that he does not feel that the Ways and Means Committee has the data to support the approval of this item. Mayor Wert asked that staff keep track of how many hours Ms. Braswell spends on Arts Council ticket production and monitor expenditures on ticket production in order to present a better financial picture of the actual cost associated with the Arts Council ticketing process.

Mr. Orban motioned to defer this item in order for the Town Administrator to work with the Arts Council in order to present more information. Mr. Burnaford seconded the motion. The motion carried unanimously.

B. First Quarter 2008/2009 Financial Review

Mr. Gunnells presented the first quarter financial review and stated that the Town is in good shape thus far. Mr. Gunnells pointed out that the Town has seasonal revenues. Mr. Burnaford asked for Mr. Gunnells to change the title to read “Annual Budgets and Annual Variances for the Committee Review”.

Mr. Gunnells explained that he is concerned due to the recent negative activity in the stock market, the Town’s interest rate revenues have declined nearly 2% to an average of 3% interest revenue. Mayor Wert also asked that Mr. Gunnells present a report forecasting a 30% decrease in revenues in order for the Town to be proactive on a potential revenue decline. Mr. Gunnells stated that at this time all other revenues are where the Town forecasted them.

Mr. Burnaford brought up the idea of speeding up the road project, not including the bikepath, for the cost savings associated with doing the project at a time when companies are looking for additional work. Mr. Orban explained that the project can not be expedited without permits and the Town is currently waiting on all permits for the project.

It was also decided that the Town may audit the top five business license revenue producing companies as authorized by law. Notifications will be mailed to the top five companies. The Town will use funds remaining from the Town’s Audit for expenses related to auditing outside companies.

VIII. Chairman’s Report:

No Report

IX. Treasurer’s Report:

Mr. Gunnells stated that he is concerned over the increasing cost of providing the solid waste service. Mr. Gunnells stated that the Town is closely approaching \$1 Million per year to provide the solid waste service and suggested that the Committee consider offering the service in-house for cost savings. Mr. Gunnells suggested hiring a consultant to figure the cost of offering the service in house. Mr. Orban stated that he has never been in favor of adding an additional department to the Town. Mr. Orban stated that when the present contract with Suburban Disposal expires in 2011, the Town will rebid the project at that time. Mr. Gunnells stated that there is money in the budget that would cover the cost of a consultant for the Town. Mr. Burnaford suggested that rental properties pay for their solid waste service. Mrs. Rucker stated that the program could be restructured in order to increase the Town’s revenues.

Mayor Wert asked staff to bring a cost estimate for a garbage program consultant to the next Ways and Means meeting.

X. Adjournment:

Mayor Wert motioned to adjourn the meeting at 9:07am. Mr. Burnaford seconded the motion. Motion carried unanimously.

Submitted by,

Catherine Wilson, Town Clerk

Approved by,

G. Steven Orban, Chairman

Date

cc: Ways and Means Committee
Town Council
Tumiko Rucker, Town Administrator