

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center
Council Chambers
April 24, 2018; 2:00 pm

AGENDA

- I. Call to Order: Mr. Wilson called the meeting to order at 2:00 pm.
- II. Pledge of Allegiance

Present at the meeting: John R. Wilson, Chairman
Craig Weaver, Mayor
Diana Mezzanotte
Chris Widuch
Jack Koach

Also Present: Stephanie Monroe Tillerson, Town Administrator
Dorota Szubert, Town Treasurer
Petra Reynolds, Town Clerk

- III. Approval of Minutes:
 - A. Ways & Means Committee Meeting of February 27, 2018

Mr. Widuch made a motion to approve the minutes of the February 27, 2018 Ways and Means Committee Meeting as amended. The motion was seconded by Mrs. Mezzanotte and the minutes were unanimously passed.

- B. Ways & Means Committee Meeting of March 27, 2018

Mayor Weaver made a motion to approve the minutes of the March 27, 2018 Ways and Means Committee Meeting. The motion was seconded by Mrs. Mezzanotte and the minutes were unanimously passed.

- IV. Citizens' Comments: (Agenda Items only)
None

- V. Old Business:
None

- VI. New Business:
 - A. To Consider Recommendation to Town Council for Approval of the SATAX Funding Amounts

Mr. Wilson reviewed the recommendations from the SATAX Committee as follows:

Applicant Sponsor	2018/2019 Application Request	SATAX Committee Recommended
TOKI/Freshfields Village	\$ 17,000	\$ 15,000
TOKI/Freshfields Village	\$ 55,000	\$ 35,000
TOKI / Kiawah Island Golf Resort	\$ 475,000	\$ 435,000
Kiawah Island Motoring Retreat	\$ 30,000	\$ 10,000
Professional Golfer's Association of America	\$ 120,000	\$ 120,000
Town of Kiawah Island	\$ 254,000	\$ 100,000
Town of Kiawah Island	\$ 423,000	\$ 385,000
Totals for Year Ending	\$ 1,374,000	\$ 1,100,000

Mr. Wilson indicated the Committee Members received a letter from Mr. Hubbard, the Chairman of the SATAX Committee. He apologized for the incorrect belief on the part of the Committee that the Kiawah Island Motoring had not received SATAX funds in the past and recommended only a partial allocation of funding. He requested the Ways and Means Committee reconsider the funding request.

Mr. Stemerman, Co-Chairman of the Kiawah Island Motoring Retreat, gave a brief overview of the recent "Cars on Kiawah" event and requested that members consider granting the additional funding to provide a total of \$25,000.00 for the Kiawah Island Motoring Retreat.

Mayor Weaver suggested leaving the SATAX amounts as recommended by the SATAX Committee and using the Local Accommodations Tax for the additional funding request.

Mayor Weaver made a motion to recommend to Town Council to approve \$10,000.00 in funding to the Kiawah Island Motoring Retreat as recommended by the SATAX Committee. The motion was seconded by Mrs. Mezzanotte. The motion was passed with Mr. Wilson recusing himself.

Mayor Weaver made a motion to recommend to Town Council to approve funding to Freshfields Village, Kiawah Island Golf Resort, PGA and Town of Kiawah as recommended by the SATAX Committee. The motion was seconded by Mrs. Mezzanotte and was unanimously passed.

Mr. Widuch made a motion to recommend to Town Council to approve additional funding for the Kiawah Island Motoring Retreat. The motion was seconded by Mr. Koach.

Members discussed the level of \$15,000.00 in funding being considered and noted that all of the applications submitted to the SATAX Committee underwent funding decreases.

Mr. Widuch made a motion to recommend to Town Council to approve an additional \$15,000.00 in funding to the Kiawah Island Motoring Retreat from restricted funds. The motion was seconded by Mrs. Mezzanotte.

Mrs. Mezzanotte expressed her concern with the amount and indicated that she would be in favor of decreasing the funding level to \$10,000.00.

Following further discussion, the motion was passed with Mrs. Mezzanotte voting "no" and Mr. Wilson recusing himself.

B. To Consider Recommendation to Town Council for Approval of the FY 2018/2019 Budget

Mr. Wilson began a review of some of the items which would have an impact on the proposed FY 2018-2019 budget. The first item is the reduction of revenues related to changes in the permitting process with the elimination of trade permits.

Mr. Widuch explained that the proposed ordinance, requiring Council approval, would eliminate the requirement to obtain a residential trade permit for work not requiring an inspection. Not having to issue these permits would reduce permitting revenues by approximately \$100,000.00 but free up staff to perform more productive tasks.

Mr. Wilson stated the solid waste fee structure was another item which would impact the FY 2018-2019 budget.

Mrs. Szubert stated the approval of the new contract with Carolina Waste prompted the restructuring to the fee schedule. She stated that the cost of residential curbside services will remain a service fully funded by the Town. She reviewed the proposed rates for the remaining services provided; Backdoor services will continue to be partially subsidized with an increase in the yearly rate to \$210.00, along with villas and cottages in HOAs at a rate of \$260.00. Single family and HOA which are rentals will be charged the full rate of \$385.00. Regimes/multi-family rentals homes will also will be charged the full rate of \$45.00 and billed within the business license process. Rates are based on the average cost for the services provided and the new fee schedule will be effective July 1st.

Mr. Wilson called attention to items that will have an effect on the expenses in the FY 2018-2019 budget. Funding for the proposed full-time law enforcement coverage on the Island by CCSO (Charleston County Sheriff's Office) is estimated to have an approximate cost of \$1.1 million at start up, along with the item of the Kiawah Island Conservancy funding.

Mrs. Mezzanotte stated the Environmental Committee reviewed the projects that were submitted by the Conservancy and listed the five projects the Committee supported within the \$70,000.00 budget. Members agreed to the budget amount and the approach that prior to funding, each project would be evaluated to meet the requirements of the restricted funds guidelines.

Ms. Tillerson stated that currently the cost for the Town's Planning Services are shared with Charleston County with the fees for those services paid to the County. With Planning Services due to be brought in-house as of July 1st, the proposed Planning fee schedule will need to be adopted as part of the budget. The proposed Planning Department Fee Schedule was generated utilizing the base fees from the current Charleston County Planning Department fee schedule with some modifications.

Mr. Widuch made a motion to recommend to Town Council the approval of the FY 2018-2019 budget with the changes specified. The motion was seconded by Mayor Weaver and was unanimously passed.

VII. Chairman's Report:
None

VIII. Treasurer's Report:

A. Review Budget vs. Actuals Report for the first three Quarters of FY 2017-2018

Mrs. Szubert presented and reviewed the Town's Balance Sheet as of March 31, 2018 and Budget to Actual Report for the first nine months. The Budget to Actual Report is compiled on the cash basis and all the funds are consolidated.

Mrs. Szubert stated that as of March 31, 2018, the Town's governmental funds combined have ending fund balance of approximately \$17.1 million, an increase of approximately \$490,000.00 from June 30, 2017. Of that amount approximately 40%, or \$6.8 million is available for spending at the Town's discretion (unassigned fund balance).

Overall, for the first nine months the Town's revenues appear reasonable for this time of the year and in line with the expectations. Consolidated revenues of \$6.5 million were approximately \$80,000.00 higher than budgeted. The positive variance is mostly attributable to building permits fees that are approximately \$200,000.00 higher than budgeted and interest revenue that is approximately \$80,000.00 higher than budgeted. Both variances are expected

to carry throughout the year and are related to start of the construction of some KIGR projects on the Island and steady growth of the rate of return on investments. The Town also has received final reimbursement of \$42,000.00 from FEMA for the clean up after Hurricane Matthew. The negative variances are mostly related to the timing of the monthly collection of the Local Option, Accommodations and Hospitality Taxes, except for the Electric Franchise Fee that has been received approximately \$100,000.00 less than budgeted. Currently the staff is investigating this shortfall.

With 75% of the year lapsed at the end of March, expenditures to date are approximately \$5.4 million or 76% of total budgeted expenditures. The small negative variances are mostly related to timing with the few exceptions that will carry throughout the year. Insurance cost is 17% higher than budgeted due to increase in bridge coverage premium. Maintenance cost will exceed budgeted amount and for the first nine months are 9% over the budget. In the second quarter, the Town also incurred costs related to the cleanup and partial beach renourishment after Hurricane Irma that totaled as of March 31, 2018 \$95,000.00 and \$185,000.00 respectively.

Capital expenditures are in line with the budget. The negative variance in Municipal Center construction cost is related to timing. This project has been completed and closed.

IX. **Citizen Comments:**
None

X. **Committee Member's Comments:**
None

XI. **Executive Session:**
None

XII. **Adjournment:**

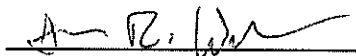
Mr. Widuch made a motion to adjourn the meeting at 3:06 pm. The motion was seconded by Mrs. Mezzanotte and was unanimously approved.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John R Wilson, Chairman

6/12/18

Date