

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

April 25, 2022; 3:00 pm

Minutes

I. **Call to Order:** *Chairman Prickett called the meeting to order at 3:00 pm.*

II. **Pledge of Allegiance**

III. **Roll Call:**

Present at the meeting: Dan Prickett, *Chairman*
John D. Labriola, *Mayor*
Maryanne Connelly, *Committee Member*
John Moffitt, *Committee Member*

Absent: Dr. Scott Parker, *Committee Member*

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

IV. **Approval of Minutes:**

A. Ways and Means Committee Meeting of March 28, 2022

Committee Member Connelly made a motion to approve the minutes of the March 28, 2022, Ways and Means Committee meeting. Committee Member Moffitt seconded the motion, and it was unanimously passed.

V. **Citizens' Comments: (Agenda Items only)**

None

VI. **Old Business:**

None

VII. **New Business:**

A. Review and Recommendation to Town Council for Approval of the Fiscal Year 2022/2023 State ATAX Funding Amounts

Chairman Prickett stated that the State ATAX Committee met and reviewed the applications submitted and made funding recommendations. By law, 30% of the SATAX funding received by the Town is allocated to the promotional fund of the Charleston Visitors Bureau, which made a presentation to the SATAX Committee providing information on how the money is spent.

Ms. Szubert stated that the unusually high amount of \$2.4 million available for funding included a carryover from last year. The five returning and one new applicants requested \$1,917,530.00, which the SATAX Committee thoroughly discussed each application project. She reviewed each of the applicants, requested amounts, and SATAX recommendations:

Town of Kiawah Island SATAX Funding Recommendations FY 2022-2023				
Category #	Project	Applicant Sponsor	2022/2023 Requested Amount	SATAX Committee Funding Recommendation
•	Destination Marketing & Advertising	Andell Inn	\$ 8,664	\$ 8,664
•	Kiawah Lifeguard Training Equipment	Charleston County Life Association	\$ 14,028	\$ 14,028
•	Events Promotion	FreshFields Village	\$ 30,000	\$ 30,000
•	Tourism Marketing & Advertising	FreshFields Village	\$ 80,000	\$ 80,000
•	Marketing of Kiawah Island Events & Holiday Programming	Kiawah Island Golf Resort	\$ 175,000	\$ 175,000
•	Beach Patrol Services	Town of Kiawah Island	\$ 487,200	\$ 487,200
•	Charleston County Sheriff Deputies	Town of Kiawah Island	\$ 78,600	\$ 78,600
		Totals	\$ 1,917,530	\$ 1,917,530
Total Available for Funding			\$ 2,400,000	\$ 2,400,000
			\$ (482,470)	\$ (482,470)

Ms. Szubert indicated that the amounts requested by the Town for Deputy coverage and Beach Patrol services were scrutinized by the SATAX Committee. The members challenged the 80% attributable to tourists used in the calculation and requested a clearer justification of the percentage.

Committee members engaged in an in-depth discussion of the deputy coverage application from the Town, the rationale behind the SATAX recommendation to reduce the funding request, and the basis of the funding request calculation.

Committee Member Connelly made a motion to recommend to Town Council the SATAX funding recommendations totaling \$1,835,922.00. The motion was seconded by Mayor Pro Temp Prickett.

Following the discussion, the motion was passed by three to one vote, with Committee Moffitt voting “No.”

B. Review and Recommendation to Town Council for Approval of the Fiscal Year 2022/2023 Budget

Ms. Szubert stated that the FY 2022-2023 Budget draft was presented at the March 28th Ways and Means Committee meeting. She reviewed the changes made to the draft budget since that meeting:

Revenues:

1. Addition of \$500K in Building Permits/Special Projects for the Seafield’s project. The project will be moving forward.

Expenses:

2. Increase of \$7K in Employee Benefits line item to account for employees’ health and wellness programs and tuition reimbursement.
3. Increase of \$9k for bird banding assistants housing included in Environmental Research/Tourism and Recreation.
4. Increase of \$100k for solid waste disposal. This is a request from Carolina Waste to consider a 10% CPI adjustment on service prices to account for increasing cost pressures and inflation. This would be the first price adjustment since 2018.
5. Increase of \$50K for Council Chamber and training room AV upgrades. The upgrades will provide better overall viewing and zoom experience for our community and meeting participants. Total project-\$68,410 (includes one year of maintenance)

6. Elimination of \$150K request for an A3 surveillance system. The demand for the enhancements in the surveillance system on the Island will be evaluated throughout the year to better identify particular needs.
7. Increase of \$20K to reflect current pricing for two new vehicles.
8. Reduction of \$82K in SATAX funding for deputies as recommended by SATAX Committee.

Committee Members discussed the changes by asking questions and making suggestions to provide better clarity.

Committee Member Connelly made a motion to recommend to Town Council the approval of the Fiscal Year 2022/2023 Budget. Committee Member Moffitt seconded the motion, and it was unanimously approved.

VIII. Chairman's Report:
None

IX. Treasurer's Report:

A. Budget Report for the First Nine Months ended 3/31/2022

Ms. Szubert presented the Town's Balance Sheet as of March 31, 2022, and the Budget to the Actual Report for the first six months. The Budget to Actual Report is compiled on a cash basis, and all the funds are consolidated.

As of March 31, 2022, the Town's governmental funds combined have an ending fund balance of approximately \$26.2M, an increase of roughly \$3.4M from June 30, 2021. Of this amount, about 52%, or \$13.7M, is available for spending at the Town's discretion (unassigned fund balance).

Overall, for the first nine months, the Town's revenues of \$9.2M are \$3M, or 48% higher than budgeted. Due to continuous uncertainties related to the COVID-19 pandemic, the Town Council adopted the FY2022 Budget with conservative revenue projections based on the pre-pandemic levels from FY2019. However, all revenues generated by tourist activity exceeded the Budget, and these favorable variances are projected to carry throughout the year. Additionally, the building permit revenue has spiked with increased construction projects this year. This year, the Building Department has issued 2,385 permits compared to 1,725 for the first nine months of the last fiscal year and 1,466 for FY2019.

With 75% of the year lapsed at the end of March, expenditures are approximately \$5.9M, or 67% of total budgeted expenditures, and roughly \$110K more than budgeted. Although most expenses are reasonable and in line with the Budget, a few line items have negative variances; salary adjustments, the legal cost for KIU rate increase intervention, and donation to MUSC's new facility were not budgeted and will carry a negative variance throughout the year. Additionally, the garage renovations and car wash station slightly exceeded the Budget. However, those variances are offset by the positive variances that primarily relate to timing in billing.

X. Committee Member's Comments:
None

XI. Adjournment:

Committee Member Moffitt made a motion to adjourn the meeting at 4:57 pm. Mayor Labriola seconded the motion, and it was unanimously approved.

Submitted by,

Petra S Reynolds

Petra S. Reynolds, Town Clerk

Approved by,

F. Daniel Prickett

F. Daniel Prickett, Chairman

6-7-22

Date