

**TOWN OF KIAWAH ISLAND
WAYS AND MEANS COMMITTEE MEETING
Via Live Streaming
July 28, 2020; 2:00 PM**

Minutes

I. Call to Order: Chairman Widuch called the meeting to order at 1:45 pm.

Present at the meeting: Chris Widuch, Chairman
Craig Weaver, Mayor
Maryanne Connelly, Committee Member
Klaus Said, Committee Member

Absent: Dan Prickett, Committee Member

Also Present: Stephanie Monroe Tillerson, Town Administrator
Dorota Szubert, Town Treasurer
Stephanie Braswell Edgerton, Communications Manager
Brian Gottshalk, Public Works Manager
Petra Reynolds, Town Clerk

II. Approval of Minutes:

A. Ways & Means Committee Meeting of May 26, 2020

Committee Member Connelly made a motion to approve the minutes of May 26, 2020 Ways and Means Committee Meeting. Mayor Weaver seconded the motion, and the minutes were unanimously approved

B. Special Call Ways & Means Committee Meeting of July 7, 2020

Committee Member Said made a motion to approve the minutes of July 7, 2020 Special Call Ways and Means Committee Meeting. Committee Member Connelly seconded the motion, and the minutes were unanimously approved

III. Old Business:

None

IV. New Business:

C. Consideration and Recommendation to Town Council for Approval of the Contract Amendment with Phillips and Jordan

Mr. Gottshalk stated as a coastal community; the Town recognizes the threat of annual hurricanes that can greatly impact the Island. Because of this, The Town must have appropriate procedures in place to ensure a speedy recovery after a hurricane or other natural disasters.

Since 2015 the Town has held an "as needed" contract with Philip and Jordan (P&J) to provide relief after a disaster event. While this contract has not yet been activated, the need to have a group such as Philip and Jordan remains a necessity. The contract with P&J is primarily for post-disaster debris removal and can provide a number of secondary resources to include temporary shelters, climate-controlled bunks, marine vessels, and the option of installing a temporary bridge.

Mr. Gottshalk stated the current contract with P&J went into effect in 2015 as a five (5) year contract with the option for two (2) one (1) year extensions. He requested that the Ways and Means Committee recommend to Town Council to enter into the P&J contract's first extension.

Mayor Weaver made a motion to recommend to Town Council the approval of the Phillips and Jordan contract amendment. The motion was seconded by Committee Member Said and was unanimously passed.

V. Treasurer's Report:

A. Review Budget vs. Actuals Report for Fiscal Year 2019-2020

Ms. Szubert presented the Town's Balance Sheet as of June 30, 2020, and Budget to Actual Report for the 2020 fiscal year. She emphasized that the Budget to Actual Report is compiled on a cash basis, and the numbers will change. She indicated the goal is to have the final CAFR Comprehensive Annual Financial Report) presented to Council at the November meeting.

Ms. Szubert began with the Balance Sheet stating that as of June 30, 2020, the Town's governmental funds combined have an ending general fund balance of approximately \$20M. Of this amount, approximately 47%, or \$9.3M, is an unassigned fund balance available for spending at the Town's discretion.

Ms. Szubert indicated the ending fund balance amount is prior to transfers to the capital fund that will be finalized when all of the approximately \$500k in additional anticipated revenues are collected. The ending fund balances show a decrease of approximately \$1.3M from June 30, 2019. A significant shortfall in the majority of the revenue sources was expected due to the COVID-19 pandemic. The restrictions placed on rentals, retail businesses, and restaurants in the fourth quarter affected the revenues generated by tourists and residents, such as accommodations, hospitality, and local option sales taxes. Additionally, as the special projects on the Island have been on hold, construction activity is experiencing a slowdown. The building permits revenue is also affected and lower than budgeted. Also noted was the projected \$8.5M in total revenues was increased to a projected amount between \$9.1 and \$9.2M.

Committee members discussed the factors that influenced the decrease in the projected shortfall and the other revenues, which included unbudgeted one-time revenues, such as \$180K for FEMA (Federal Emergency Management Agency) reimbursement for clean up after hurricane IRMA and \$50K for Webster Rogers settlement.

Ms. Szubert stated that overall the expenditures for the fiscal year 2020 are approximately \$10M and about \$2M higher than budgeted. Although many of the expenditures are in line with the budget, a few line items contribute to this overage and have a negative variance:

1. Consulting cost is approximately \$157K over the budget due to HR&A contract being approved after budget adoption. The engineering contracts for KI Parkway resurfacing with McCormick Taylor and Dennis Co being higher than budgeted.
2. Capital Outlay cost is 1.6M over the budget. This overage relates to KI Parkway resurfacing project. The construction is funded from capital reserves.
3. STR (Short Term Rental) Code Enforcement cost is a new line item, approved in December 2019, after budget adoption. The STR license application fees offset this cost.
4. Unbudgeted cost for cleanup after hurricane Dorian in the amount of approximately \$765K.

Ms. Szubert noted the positive variance partially offset the negative variances in Tourism and Recreation cost attributable to the reduction in SATAX (State Accommodations Taxes) and CVB (Charleston Visitors Bureau) funding.

Ms. Szubert stated that the auditors had been scheduled to begin their fieldwork beginning on September 1st.

VI. Committee Member's Comments:

Mayor Weaver commented on the Sea Level Rise focus group discussed at the last Town Council meeting. He noted that Lucas Hernandez, the Community Association's resilience specialist, would be taking the lead on the project. Since the Town is co-sponsoring the project, the Mayor indicated it was his intent to share the cost of Mr. Hernandez during the time he is working with the group.

Mayor Weaver commented on the going issue with the amount of trash on the Island, especially on the beach. He stated the tremendous amount of visitors to the Island had brought an overwhelming amount of garbage, which has had a significant impact on the beach and other areas on the Island. Ms. Tillerson and Mr. Gottshalk will be looking at long and short-term options to help mitigate the issue.

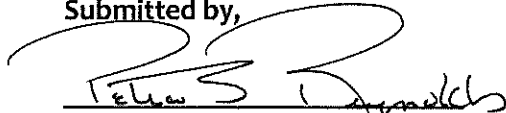
VII. Executive Session:

None

VIII. Adjournment:


Committee Member Connelly motioned to adjourn the meeting at 2:24 pm. The motion was seconded by Committee Member Said and carried unanimously.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



Chris Widuch, Chairman

10.30.20
Date